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SHIPPING RESEARCH BUREAU

ANNUAL REPORT 1989

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1989

TEN YEARS SHIPPING RESEARCH BUREAU

The year 1989 marks the ending of the first decennium of the Shipping Research Bureau. Ten years ago in 1980 the Bureau was established because it became clear that a monitory unit was an essential condition to develop an effective oil embargo. This was the main result of the 'International Seminar on an Oil Embargo against South Africa', organised by the Holland Committee on Southern Africa and the Working Group Kairos in co-operation with the United Nations Special Committee against Apartheid, held in March 1980 in Amsterdam.

The founding organisations of the Shipping Research Bureau, the Holland Committee on Southern Africa and the Working Group Kairos (Christians against Apartheid) are two long-standing Dutch anti-apartheid organisations which have for many years now been actively engaged in actions against involvement by Western companies in oil supplies to South Africa. From 1973 onwards Kairos has continuously been campaigning on the oil embargo issue, in particular against the major oil company SHELL. Since 1977, the Holland Committee on Southern Africa has joined in this campaign.

In the ten years of its existence the Bureau has focussed on in-depth research and publication of reports on the means whereby the oil embargo against South Africa was circumvented. Other objectives were to conduct research on legislative and other measures with regard to the oil embargo and to inform Governments, intergovernmental and non-governmental organisations on this particular matter, with the intent that these bodies would be able to make effective and optimum use of the research results.

Since 1980 the Shipping Research Bureau has published five main reports, presenting detailed information on oil deliveries to

South Africa, on companies involved in this trade and on countries or regions from where tankers sailed to South Africa. These reports cover the period 1979-mid 1987. Furthermore, the Shipping Research Bureau has released several special surveys on particular companies and other items. Since 1985, the Bureau has published its quarterly Newsletter on the Oil Embargo against South Africa. This newsletter provides a regular flow of information on the oil embargo issue to the media, to Governments and non-governmental organisations as well as to individuals.

Financial support

The Bureau's activities have been made possible by financial support from several organisations in the field of international development and co-operation, and by donations of church bodies in the Netherlands and abroad. Among the funding organisations are the Governments of Sweden, Norway and Canada, the Norwegian Federation of Trade Unions (LO), the International Confederation of Free Trade Unions (ICFTU), the World Council of Churches and the United Nations.

Coal research

Since March 1989 the Shipping Research Bureau has also been investigating shipments and export of coal from South Africa to its main importers in Western Europe, the Far East (Japan, South Korea, Hong Kong, Taiwan) Brazil, Turkey and Israel. The aim of this research is to contribute to the achievement of an international embargo of coal originating from South Africa. In the quarterly Newsletter of the Shipping Research Bureau research findings on the coal issue are published in the section 'Coal Monitor'.

THE OIL EMBARGO AGAINST SOUTH AFRICA

Oil is without doubt South Africa's Achilles' heel as regards its dependence on the international community. Oil is the only strategic raw material not found in exploitable quantities, yet it is vital for the South African economy, its military force and police apparatus. South Africa has to import at least 75 per cent of its needs for liquid fuel, about 14 million tonnes of crude oil a year, from overseas by means of large oil tankers. The remaining 20-25 per cent is covered by production of three SASOL plants converting indigenous coal into liquid fuels. South Africa has spent large sums of money on oil exploration, mainly offshore, without striking economically viable oil finds.

Oil is a strategic and essential commodity for the survival of the South African government. Without oil, the South African military could not maintain its army, air force and navy. Without oil, the military and the police could not invade and occupy the black townships inside South Africa and maintain the system of apartheid.

A mandatory oil embargo against South Africa, imposed by the United Nations Security Council, has not been implemented yet, because of opposition by two Permanent Members, the United States of America and the United Kingdom. However, there does exist a voluntary international oil embargo supported by an overwhelming majority in the UN General Assembly as was shown on all occasions when the oil embargo was discussed as a separate issue. The resolution of November 22, 1989 (A/44/27H) on the oil embargo was adopted with the largest majority ever by 139 to 2 votes, with 14 abstentions. The United States of America and the United Kingdom persevered in voting against.

In particular, the oil embargo is endorsed by all main oil-exporting countries, including member states of the OPEC and OAPEC. An oil embargo has also been included in a package of restrictive measures against South Africa by the European Community and by the Commonwealth. Moreover, the call for an oil

embargo is widely supported by many international organisations such as the Non-Aligned States, the Organisation of African Unity (OAU), the League of Arab States, the World Council of Churches (WCC), the Lutheran World Federation (LWF), the Workers' Group of the International Labour Office (ILO), international trade union bodies such as the International Confederation of Free Trade Unions (ICFTU) and the World Federation of Trade Unions (WFTU), the International Transport Workers' Federation (ITF), Western seafarers' and dockers' unions represented by the group Maritime Unions against Apartheid, the Organisation of African Trade Union Unity (OATUU), the European Parliament, the International Parliamentarians Union (IPU), the Association of West European Parliamentarians for Action against Apartheid (AWEPA), and the Socialist International.

WHY AN EMBARGO ON SOUTH AFRICAN COAL?

The South African economy is very vulnerable to an international embargo of its coal exports. Coal is South Africa's second export product in value terms. If this export could be embargoed, the country's economy would be severely affected. Therefore, a coal embargo is an effective means to put pressure on the South African government.

Until 1989 only a few countries had adopted an embargo of South African coal. These countries are: France (1987), Ireland (1987), the Scandinavian countries (1987), Australia (1987), Canada (1986), New Zealand (1987) and the United States of America (1986). Already these limited sanctions have had a severe impact as the export of South African coal has not increased since 1987.

All the important international federations of trade unions, for instance the International Confederation of Free Trade Unions (ICFTU), the World Federation of Trade Unions (WFTU), the World Confederation of Labour (WCL), the European Trade Union Confederation (ETUC), the Miners International Federation (MIF) and the International Transport Federation (ITF), have endorsed an embargo on South African coal.

South African organisations like the African National Congress (ANC), the Pan Africanist Congress (PAC), the United Democratic Front, the Congress of South African Trade Unions (COSATU), the National Union of Mine Workers (NUM) and the churches have repeatedly called for an embargo on South African coal.

PUBLICATION OF THE RESEARCH FINDINGS

Main reports on the oil embargo

Every two years the oil section of the Shipping Research Bureau publishes a main report. In these reports research findings on oil shipments to South Africa over a certain period of time are compiled. In September 1990 the Bureau intends to release its sixth main report which will cover the years 1987, 1988 and part of 1989. The previous five reports were released in 1981, 1982, 1984, 1986 and in 1988 respectively, covering the years 1979 until 1987.

Research coal division

In the course of 1990 the coal section will release a report covering coal exports from South Africa to the Benelux over the years 1987 and 1988. Reports covering the previous years till 1986 have been released by the Working Group Kairos.

Surveys

In addition to the main reports the oil section of the Bureau publishes surveys on shipping companies and oil-trading companies involved in the secret oil trade with South Africa.

Commissioned research

The Bureau has also been commissioned to do research by non-governmental and intergovernmental organisations.

DISSEMINATION OF INFORMATION

Shipping Research Bureau Newsletter

The Newsletter provides a regular flow of information on the issue of the oil embargo. It contains recent research findings of the Shipping Research Bureau and information on South Africa's oil situation from other sources. Also information is given on actions by Governments and international bodies and on campaigns by anti-apartheid organisations throughout the world. Since October 1989 the Newsletter has included the 'Coal Monitor'. This section covers news on the import of South African coal by the various countries and the policies of Governments and non-governmental organisations with regard to coal imports from South Africa.

In the course of 1990 the Newsletter will change its name from Newsletter on the Oil Embargo against South Africa to Shipping Research Bureau Newsletter.

The quarterly Newsletter, published since 1985, is sent directly to some 2,200 subscribers all over the world. Another 800 copies are distributed through anti-apartheid organisations and other interested organisations in various countries. It is distributed free of charge. It is the Bureau's experience that the Newsletter is closely read by the media, representatives of companies and Governments and by non-governmental groups active on the issue of economic sanctions against South Africa.

PUBLICATIONS IN 1989

World Wide Shipping Group. A Hong Kong oil shipper comes to South Africa's rescue. Amsterdam, April 1989

The paper deals with the involvement of the Hong Kong-based World Wide Shipping Group in transporting oil to South Africa. The company is emerging as the major oil shipper to South Africa, apparently filling the gap created by the Norwegian law of July 1987 which forbids Norwegian owned, flagged and managed tankers to transport crude oil to South Africa.

Marimpex. A German Oil Supplier to South Africa. Amsterdam, update February 1989

This survey was first published in October 1985. The completely updated survey deals with Marimpex' involvement in the oil trade to South Africa since 1980.

No Fuel for Apartheid. Amsterdam, July 1989

A draft report written in commission for the International Confederation of Free Trade Unions (ICFTU). The report gives a complete overview of the oil embargo against South Africa. It specifically focusses on the stances and activities of trade unions on the issue of the oil embargo. Furthermore, it provides recommendations for trade union activities with regard to the embargo.

Newsletter on the Oil Embargo against South Africa

In 1989 four issues of the Newsletter were published. (No. 14-17). Number 15/16 was published in July 1989 as a double issue.

OTHER ACTIVITIES IN 1989

The Shipping Research Bureau contributed actively to international conferences, workshops and other meetings in which the oil embargo and coal sanctions against South Africa were discussed. Besides, the Bureau conducted commissioned research and assisted researchers and journalists with regard to oil and coal sanctions.

International meetings

Hearings on the Oil Embargo against South Africa

Organised by the United Nations Intergovernmental Group to Monitor the Shipping and Supply of Oil and Petroleum Products to South Africa and the United Nations Special Committee against Apartheid. New York, April 12-13, 1989.

The Shipping Research Bureau was one of the thirteen witnesses which testified before a seven-person strong panel at the Hearings. In its testimony the Bureau gave an overview of the state of affairs of the oil embargo: the costs for the South African Government; companies involved in selling and transporting oil to South Africa; the countries from which the tankers sail to South Africa; loopholes in existing legislation and recommendations to tighten the oil embargo.

Workshop on Strategies on the Shell boycott campaign

Organised by the Programme to Combat Racism of the World Council of Churches. May 9-10, 1989, Amsterdam (the Netherlands).

Public Hearings on the Role of Transnational Corporations in South Africa and Namibia

Organised by the United Nations Centre on Transnational Corporations. September 4-6, 1989, Geneva (Switzerland).

The Shipping Research Bureau testified before an 11-person strong panel of eminent persons. The Bureau issued two statements: one focussing on the issue of the oil embargo, the other giving an overview of coal exports from South Africa.

The testimony focussing on the oil embargo elaborated on the involvement of transnational companies in the procurement of oil and oil products for South Africa, the contribution of the transnational oil companies to the maintenance of the system of apartheid and the technological and material assistance of foreign companies in the development of the synthetic fuel projects in South Africa.

The testimony focussing on coal exports dilated upon the imports of South African coal by other countries and present measures and actions taken by some Governments and non-governmental organisations to stop those coal imports.

Commissioned research

The oil section of the Shipping Research Bureau contributed to the 'Independent Expert Study on the Evaluation of the Application and Impact of Sanctions' commissioned by the Commonwealth Committee of Foreign Ministers on Southern Africa. This 150-page report was presented at the Meeting of Commonwealth Committee of Foreign Ministers, held in Canberra (Australia) in August 1989. The report has been published by the Penguin Group in association with James Currey entitled 'South Africa: The Sanctions Report'.

In 1989 the coal division of the Shipping Research Bureau contributed to an investigation of an embargo of South African coal, commissioned by the city councils of Amsterdam and Rotterdam. The research was conducted by the Dutch Centre for Research on Multinational Corporations (SOMO). The report, entitled 'Broken Chains? Boycott of South African Coal in North-West Europe' was published in May 1989. It was published both in English and in Dutch.

Contributions to the media

Furthermore, the Bureau assisted a great number of researchers and journalists with regard to oil embargo and coal sanctions matters. Also, the Bureau was interviewed frequently by the national and international radio and television press.

IMPACT

Partly as a result of the Bureau's monitoring activities and owing to more publicity, pressure by anti-apartheid organisations and parliamentary actions, several Governments introduced stricter measures over the past few years in order to stop companies supplying oil to South Africa.

Singapore

Singapore is the most recent case of a Government severing oil links with South Africa. On 15 September 1989 the Government announced that it had decided to prohibit the export of crude oil and petroleum products on Singapore registered tankers to South Africa. The Singapore ban is a major step forward in the tightening of the oil embargo against South Africa. However, the embargo is not comprehensive, as it does not prohibit ships owned by foreign companies which are based in Singapore to export crude oil to South Africa. Also the ban does not apply to ships owned by a Singapore company sailing under a foreign flag.

Norway

In Norway the Government is being pressured by representatives of Trade Unions and anti-apartheid organisations to extend the existing ban on the transport of crude oil to South Africa with a ban on the transport of oil products as well. Since July 1987, by law, Norwegian ships have been prohibited to export and transport crude oil to South Africa. Apparently, an increasing number of Norwegian ships is filling the existing gap in the 1987 ban, which does not include a prohibition on the transport of oil products.

Also at the level of international organisations developments occurred with regard to a severing of the oil embargo.

The United Nations

In April 1989 the United Nations' Intergovernmental Group to Monitor the Supply and Shipping of Oil and Petroleum Products to South Africa, in co-operation with the UN Special Committee against Apartheid, organised the 'Hearings on the Oil Embargo against South Africa' in New York. At the Hearings a panel of eminent persons heard testimonies from witnesses covering the various aspects of the oil embargo. In its conclusions and recommendations the panel explicitly called for a tightening of the oil embargo.

In October 1989 the Intergovernmental Group released its third report, which was adopted by the General Assembly on November 21, 1989. In this report violations of the UN oil embargo during the past few years are mentioned. Furthermore, it provides recommendations with regard to a further tightening of the oil embargo.

On 22 November 1989 the UN General Assembly voted on the issue of the oil embargo. The resolution was adopted by an overwhelming majority of 139 votes against two, and fourteen abstentions. the United Kingdom and the United States of America persevered in voting against.

Fourteen countries which abstained

Belgium
Botswana
Canada
France
Federal Republic of Germany
Greece
Israel
Lesotho
Luxembourg
Malawi
the Netherlands
Portugal
Swaziland

In December 1989 the General Assembly convened in a special session to discuss 'Apartheid and its Destructive Consequence in Southern Africa'. At this special session the United Nations Declaration on South Africa was adopted by consensus. This declaration is based on the Harare declaration which is the outline of the African National Congress (ANC) for a peaceful solution in South Africa.

Commonwealth

The meeting of the Commonwealth Committee of Foreign Ministers, which was held in Canberra (Australia) in August 1989, urged for a tightening of sanctions against South Africa. The 'Independent Expert Study on the Evaluation of the Application and Impact of Sanctions', which was released at the meeting, explicitly recommended a further tightening of the existing sanctions against South Africa, including the oil embargo.

At its bi-annual Heads of Government meeting in Kuala Lumpur, Malaysia, in October 1989, the member states maintained their sanctions policy, as adopted at the Heads of Government meeting in Nassau (the Bahamas) in 1985. The United Kingdom dissented from the Commonwealth stance on sanctions against South Africa.

European Community

The stance of the European Community sanctions against South Africa, which was adopted in 1986 and which also includes a limited oil embargo, has not altered.

PRESENT ACTIVITIES

Promising changes are presently occurring in South Africa which will hopefully lead to the total dismantling of the apartheid system and the creation of a free and democratic South Africa for all.

The activities of the Shipping Research Bureau must be seen in the light of these developments. At present the Bureau feels it is imperative to keep up economic and financial pressure on the South African government as was urged by Mr. Nelson Mandela upon his release in February 1990. It is this combined pressure from within and outside the country which is urgently needed to keep up the process of change and reforms. As the only non-governmental organisation with an ongoing programme of research and publication of comprehensive data on oil supplies to South Africa and on coal exports from South Africa, the Bureau will continue to focus on the monitoring of these issues.

Oil section

The Bureau plans to release its sixth main report in September 1990.

Furthermore, the Bureau will continue to contribute to the work of the United Nations Intergovernmental Group to Monitor the Supply and Shipping of Oil and Petroleum Products to South Africa.

With regard to the international campaign against Shell, the Bureau will prolong its assistance in research matters. Also in 1989, the support for the campaign from trade unions, church organisations, anti-apartheid groups and other organisations mounted.

The Bureau will continue to assist the media on the issue of the oil embargo. It will attend and contribute to meetings and conferences dealing with sanctions against South Africa.

Coal section

The International Labour Organisation has commissioned the coal section to research the flow of South African coal exports. This research will also cover the existing restrictive measures with regard to coal imports from South Africa and the loopholes in, the evasion of and the monitoring of these measures. The research will be completed in May 1990. The findings will be published in a report.

On behalf of the Association of West European Parliamentarians for Action Against Apartheid (AWEPA) the South African coal imports per member state of the European Community will be analysed. Furthermore, suggestions will be made with regard to alternative suppliers.

Furthermore, the coal section will monitor the South African coal exports in 1989. The main focus will be the coal exports from South Africa to the Benelux. Subsequently, exports to other member states of the European Community will be watched. The EC accounts for almost half of South Africa's coal exports. Finally, exports to the other main importers of South African coal like Japan, South Korea, Hong Kong, Taiwan, Israel and Turkey will be monitored.

The coal section will continue to gather statistical information on coal exports and imports worldwide. A data base will be compiled of coal contracts between South African suppliers and international companies. A data base will also be constructed on the political progress made by governments with regard to establishing and/or implementing an embargo on South African coal.

The coal section will continue to assist journalists. It will also attend international meetings and conferences on sanctions, starting with a workshop in Oslo in March 1990.

Bugge hits out over 'double standards'

Lloyd's List
25/4/89

By James Brewer
Shipping Reporter

A LEADING chemical and products carrier operator involved in an allegedly secret shipment of fuel oil to South Africa hit out yesterday at what it said were Norway's "double standards" over the apartheid regime.

Iver Bugge, of Larvik, was charterer of the 57,372 tonnes deadweight *Dagli*, when she lifted a cargo from the Soviet Black Sea port of Odessa in September 1988.

An investigation by Norwegian television in co-operation with the Amsterdam-based Shipping Research Bureau said the ship's destination was given as the US, but after calling at Gibraltar she changed course for Cape Town.

Jan Bugge, chairman of Iver Bugge, said his company knew about the cargo and had done nothing illegal, because the cargo was not included in the boycott rules, which applied to crude oil.

His company had followed local instructions over what was an isolated cargo. It had no regular trade with South Africa.

Mr Bugge said his company felt it was being used as an example by certain political interests to try to create a climate for an extended boycott of South Africa; yet only a few days ago, Norway had extended import licences for South African manganese ore.

The *Dagli* voyage appears to be first case of Soviet oil being diverted to South Africa. The practice is more common with Middle East oil.

Under the terms of a Norwegian trade embargo, brought in during 1986 and 1987, Norwegian-owned vessels are barred from transporting crude oil to South Africa, having played a major role up to then. Products like fuel oil were excluded.

THE Federal Government is investigating an embarrassing report that racist South Africa receives daily 15,000 barrels of this country's crude oil.

An article in the *Jamaican Financial Gleaner* of July 14, alleging that Jamaica was reselling Nigeria's oil to

the racists, spilled the beans. On the trail of the brains behind the disturbing act are Nigeria's missions in New York, The Hague, Geneva and Jamaica. On October 15, direc-

By Alex Oni and Chukwunekwu Isiwa



THE GUARDIAN

CONSCIENCE, NURTURED BY TRUTH

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WEDNESDAY, NOVEMBER 1, 1989

ONE NAIRA

Govt probing alleged sale of oil to racists

of Jamaica (PCT) has apparently been reselling 15,000 barrels of Nigerian crude oil per day to South Africa through the Dutch Oil Trading Company, VITOL.

The Nigerian missions are expected to send their findings, copies of the Shipping Research

Bureau's letter and the newspaper report to Petroleum Resources Minister Lukman Rilwanu. Among the questions raised yesterday by observers was whether it was possible for the racists to receive.

Continued on page 2

BUSINESS DAY 2/11/89 CLAIM OF SANCTIONS-BUST

IAN HOBBS

LONDON — The Nigerian government and the Commonwealth are investigating claims that Nigerian oil was sold to SA in a sanctions-busting operation using the Jamaican state-controlled oil company.

The investigation centres on the activities of one of the world's biggest commodities traders, Belgian-born Spanish national Marc Rich, allegedly a key middleman for SA's oil supplies.

Evidence that Nigerian oil was "daisy-chained" into SA is being sought by the influential Amsterdam-based and Dutch government supported anti-apartheid group, the Shipping Research Bureau (SRB).

An SRB spokesman said: "Most of the information reaching us has come from Jamaica. We have passed all we know to the Nigerian government and they have told us there will be a thorough investigation. The Commonwealth is assisting and the Jamaican government is also investigating."

The latest SRB newsletter quotes reports from a Jamaican newspaper in September claiming that the Nigerian oil in question was purchased by the state-controlled Petroleum Corporation of Jamaica.

Jamaican PM Michael Manly, who was returned to power in February this year, told newspapers and an anti-apartheid organisation that the former government of Edward Seaga had had dealings with Marc Rich.

But Manly said he was unaware that Rich had SA oil connections and he said the dealings had been "valid and useful for Jamaica".

In Amsterdam, the SRB is gathering evidence suggesting that a sophisticated sanctions busting operation, using Jamaican cover for the purchase of Nigerian oil, was linked to the supply of Ecuadorian oil to SA — organised by billionaire Marc Rich.

Sapa reports a spokesman for the Department of Mineral and Energy Affairs said it was policy not to comment on reports on crude oil deliveries because of the provisions of the Petroleum Products Act.

CODIR condemns secret shipment

Morning Star 28/4/89

Iran sells oil to apartheid

IRAN'S illegal sale of oil to apartheid South Africa showed how the two most repressive regimes in the world supported each other, solidarity organisation CODIR said yesterday.

The Committee for the Defence of Iranian People's Rights was commenting on data about suspected secret oil shipments from the Islamic Republic to South Africa.

A report by the Amsterdam-based Shipping Research Bureau this month exposed two suspected oil deliveries from Iran to South Africa — one in September 1987 and another in October 1988.

CODIR described the information as "yet another revelation of the extensive links between the criminal Khomeini regime and the most reactionary circles worldwide."

by our
Foreign Desk

The Shipping Research Bureau discovered as many as 17 suspected voyages from various Gulf states to South Africa since 1986 by tankers owned by the World Wide Shipping Group.

Terror

The bureau's report deals with the tanker movements of this single major shipper, and does not take into account deliveries to South Africa by other companies. As a result, the Iranian-South African oil trade may well be

much larger than presently documented.

"Iran's oil has enabled the unstable apartheid regime to continue its terror practices and hang on to power," said CODIR.

The apartheid dollars in turn had been used by the Khomeini regime in Iran to buy arms and means of torture and repression.

Referring to arms trade links between Iran and Israel revealed in the Morning Star recently, CODIR said that the conclusion could emerge that South African finance had helped Khomeini to obtain Israeli weapons.

"After all, this is not the first example of the unholy alliance of South Africa, Israel and Iran," said the solidarity organisation.

"These anti-democratic regimes, by virtue of the rejection of all internationally accepted norms of human and civil rights, are partners in the same league."

WORLD WIDE SHIPPING IN
THE TELEGRAPH, May 1989

'secret' oil runs to SA

HONG KONG'S World Wide Shipping has been named as one of the major suppliers of oil to South Africa in defiance of United Nations embargo policies.

A new report by the Dutch Shipping Research Bureau says that since October 1986 at least 19 secret oil deliveries to South Africa by World Wide tankers have been identified.

And the report claims that up to 31 deliveries may have been made by the company's ships between October 1986 and December 1988.

The bureau urges the Hong Kong government to 'urgently

follow the example of Denmark and Norway and prohibit shipping companies based in Hong Kong from transporting oil to South Africa.'

According to the report, nearly a quarter of South Africa's crude oil needs could have been met if the 31 World Wide deliveries were made.

Laws banning oil exports to South Africa were introduced in Denmark in 1986 and in Norway one year later. The report states: 'The World Wide Shipping Group appears to have filled the gap created by the discontinuation of such oil transports.'

The report says that World Wide tankers have reported in-

correct destinations or no destinations at all in an effort to circumvent the embargo policies of the Gulf oil exporting nations.

Of the 19 identified World Wide voyages to SA since October 1986, 17 were made from the Persian Gulf area, including 13 which called at the United Arab Emirates.

With 54 ships (33 tankers) under its control, the World Wide Shipping Group is one of the largest operators of VLCCs. All of its ships alleged to have sailed to South Africa were registered in Liberia. Although based in Hong Kong, the group has offices in London and New York.

HK shipper defends oil ban busting

South China Morning 2/8/89

By LULU YU

AN executive of Hong Kong shipping magnate Sir Yue-kong Pao's World-Wide Shipping Agency last night defended sanction-busting and said the firm would continue to ship oil to South Africa.

He shrugged off claims made by a Dutch monitoring group that World-Wide had given false information on the oil's destinations to avoid embargoes against South Africa by oil producers.

"By shipping oil to South Africa, World-Wide... has deliberately violated the oil embargo policies of oil exporting countries from where its tankers sailed to South Africa," said the Shipping Research Bureau, a non-government body that monitors Pretoria's oil imports, in a report released in The Hague.

But Mr R. J. Allen, a senior official of the Y.K. Pao group, said oil deliveries by World-Wide tankers to South Africa were nothing secret and formed part of the company's international business.

"Any ship that is fixed to charter can take goods to anywhere in the world. There is nothing underhand about us shipping oil to South Africa."

"We have probably the biggest independent fleet of tankers in the world and if the charterer sends us to South Africa, that's where we'll go," he said.

On providing false information to the monitoring group, Mr Allen said: "We've never provided anyone with any information. How can it be incomplete or incorrect?"

Saying the World-Wide group was the world's leading



□ Sir Y. K. Pao

oil shipper to South Africa, the Dutch bureau said the group made at least 19 "secret deliveries" to South Africa between October 1986 and the end of 1988.

"Of the 19 voyages identified since October 1986, 17 were made from the Persian Gulf area. One country, the United Arab Emirates, accounted for the majority of these cases. Thirteen tankers sailed to South Africa after having called at the United Arab Emirates," said the Dutch report.

It added that World-Wide increased deliveries after Norwegian and Danish firms were banned by their governments from continuing shipments.

It also accused World-Wide of repeatedly ignoring its requests to comment on the deliveries.

A spokesman for the Trade Department said he had not seen the report of the Dutch monitoring group and was not aware of any other accusations against the World-Wide group regarding oil deliveries to South Africa.

The monitoring group's accusations came nearly two years after a United Nations report struck Sir Yue-kong's shipping empire off a list of Hong Kong companies that continued to have trading and economic links with South Africa.

World-Wide Shipping had been named in a 1985 report of the UN Human Rights Commission, but was excluded from the Commission's 1987 report, leading to belief that the firm no longer dealt with South Africa.

Mr Allen said World-Wide had no "trading and economic" links with South Africa unless chartering operations were considered an economic link.

"Shipping is a commercial business. People are not understanding what the real world of shipping is," said Mr Allen.

"We know the destinations of our ships but we can't control them," he said.

The UN had called on 33 national governments, including Hong Kong, to act against companies fostering trade links in the "racist and colonialist regime of South Africa" and for profiting from operations which "enhance and sustain the activities of the corrupt and illegal system."

In late 1986 the Hong Kong Government introduced sanctions, including a ban on the import of gold coins, iron and steel, a voluntary ban on investment and loans, and a policy of discouraging tourism to South Africa.

Diary

Andrew Moncur

THERE'S Mrs Thatcher, sharing a box at the opera in Salzburg with Austrian-born Dr Helmut Sohmen and his Chinese wife, Anna Pao. So, they were discussing Hong Kong, were they? Dr Sohmen is, of course, a prominent businessman there and a former member of the colony's legislative council, best remembered for his conservative views (somewhat to the right of Vlad the Impaler). Anything else known? Well, he also runs World-Wide Shipping, part of the business empire built by his father-in-law, the billionaire Sir Yue-Kong Pao. According to the Shipping Research Bureau, in Amsterdam,

World-Wide is now emerging as the major oil shipper to South Africa. It has identified at least 19 secret oil deliveries there by the company's tankers between October, 1986, and last December, violating the embargo imposed by the oil-exporting countries supplying the stuff. Nice company (at the opera, I mean). And what did the Prime Minister and the businessman watch? Verdi's Masked Ball.

The Guardian (UK)
18/8/89

HK company accused of sanctions busting

The Sunday Standard 2/4/89

SHIPPING magnate, Sir Yue-kong Pao's Worldwide Shipping Group is alleged to be frustrating international oil sanctions against South Africa - and the Hong Kong Government can do nothing about it.

According to a shipping research bureau in Holland, the shipping group has become the leading tanker company carrying oil to South Africa.

The bureau reported that the group made 19 secret deliveries to South Africa between October 1986 and the end of last year.

It also alleged the group had given incomplete or incorrect information on shipping destinations to avoid the embargo.

The Sunday Standard could not obtain a comment from the group's chairman, Dr Helmut Sohmen, who was overseas. No other spokesman available.

Though the United Nations imposed sanctions on South Africa, including



■ Mr Rafael Hui
... no more no less

an oil embargo in 1986, Hong Kong had not adopted the policy completely.

Mr Rafael Hui Si-yan, deputy secretary for Economic Services, said last night the Hong Kong Government would stick to the announcement made in on sanctions in 1986.

The Executive Council decided at the time that Hong Kong should follow the sanctions adopted by the United States and European Community

"The Hong Kong Government has its own autonomy in imposing sanctions. We'll follow the guidelines set down then - no less, no more," said Mr Hui.

The Government has discouraged imports of iron and steel from South Africa as well as tourism, bank loans and investment in South Africa.

Hong Kong also banned imports of Kruggerand gold coins.

"As far as I can recall, oil was not on the list of banned products," said Mr Hui.

A shipping expert pointed out that most vessels in the Worldwide Shipping fleet were registered in Liberia and were not within the jurisdiction of the Government.

The flag of a ship is equal to the nationality of a person. Liberia is a flag of convenience for many shipping companies, offering tax advantages and fewer controls.

"If the Worldwide fleet carried Hong Kong or

British flags, then it might be a different story," said the expert who declined to be named.

The United Nations tried to impose universal trade sanctions against South Africa in 1986 but failed as several countries, including Britain and the United States, voted against the motion.

After heated debate, members agreed to limited sanctions and Hong Kong came under pressure to toe the line.

After careful discussion, Exco decided Hong Kong would impose limited sanctions.

But Hong Kong's most important import from South Africa, coal, was missing from the banned list.

A coalition of concerned groups has been urging the Government to ban coal imports from South Africa but without success.

The Shipping Research Bureau in Amsterdam is a concerned group set up to monitor compliance with sanctions against South Africa.

THE OIL DAILY, MONDAY, APRIL 3, 1989

Hong Kong-Based Shipper Key South African Source Of Crude Oil, Bureau Says

THE HAGUE — The Hong Kong-based World-Wide Shipping Group has become the leading shipper of oil to South Africa and is breaking embargoes imposed by oil-producing countries, a Dutch monitoring group said.

"World-Wide Shipping Group is currently the major oil shipper to South Africa," the Shipping Research Bureau, a non-government body that monitors Pretoria's oil imports, said in a report.

The shipping company is part of Sir Yue-Kong Pao's business empire.

World-Wide had given incomplete or incorrect information on the oil's destination to avoid embargoes against South Africa by oil-producing countries, it added.

The firm made at least 19 secret oil deliveries to South Africa between October 1986 and the end of

1988, the Bureau said.

"Of the 19 voyages identified since October 1986, 17 were made from the Persian Gulf area. One country, the United Arab Emirates, accounted for the majority of these cases. Thirteen tankers sailed to South Africa after having called at the United Arab Emirates."

"By shipping oil to South Africa, World-Wide... has deliberately violated the oil embargo policies of oil exporting countries from where its tankers sailed to South Africa."

The report said World-Wide increased deliveries after Norwegian and Danish firms were banned by their governments from continuing shipments.

The group said World-Wide had repeatedly ignored its requests to comment on the deliveries.

Coal sanctions may become more extensive

THE SHIPPING RESEARCH BUREAU which monitors the effectiveness of the oil embargo against SA has switched its attention to SA coal exports and has added a coal monitor to its operations.

The monitor records that despite embargoes and sanctions, SA increased the monetary value of its coal exports in 1988 to R2 700-million from R2 300-million and that the SA coal industry as a whole increased its earnings from R4 800-million to R5 700-million. Exports, however, are still below the 1986 figure of R3 200-million.

The bureau's coal monitor suggests that a start has been made with an investigation of how further coal sanctions can be applied to SA by north-western European countries without detriment to their own requirements. This implies that the industry's ability to circumvent coal sanctions may become more limited in the future.

S.African coal'

SOUTH AFRICA is planning to export coal via Israel as part of its sanctions-busting strategy, according to the Shipping Research Bureau.

The Amsterdam-based monitoring group said in a new publication *Coal Monitor* that South Africa is currently negotiating to set up coal storage facilities at the Israeli ports of Ashdod and Eilat.

From there, the coal could be transhipped to countries which have banned South African coal imports.

Coal Monitor said the scheme is apparently the brainchild of Israeli Trade Minister, Ariel Sharon, but is opposed by other Israeli ministers. Israel's National Coal Supply Corporation bought about two million tons of the 42.6m exported by South Africa last year.

L'Afrique du Sud en Direct

29/11/89

. En dépit des embargos et sanctions, l'Afrique du Sud a augmenté de plus de 17% la valeur de ses exportations de charbon en 1988, même si celles-ci demeurent toujours en-deçà du niveau atteint en 1986. Le Shipping Research Bureau d'Amsterdam, spécialisé dans la surveillance du boycott pétrolier, a créé une nouvelle division sur le charbon, afin de renforcer l'action internationale pour le boycott du charbon sud-africain.

Business International

South Africa Alert October 1989

Dutch Group to Monitor Coal Embargoes

The Shipping Research Bureau (SRB) of the Netherlands, which monitors the international oil embargo on South Africa, has been expanded to include a coal section. An SRB executive, Natascha Verhaaren, announced the change as she was giving evidence last month to the UN's public hearings in Geneva on activities of transnational corporations in South Africa.

She said the coal section had been set up in March, with the aim of contributing to "the achievement of an international boycott of coal originating from South Africa." Its first activities were the monitoring of shipping movements from South Africa to western Europe and identifying the companies involved in the production, trade, shipping and use of coal.

After gold, Verhaaren claimed, coal was South Africa's second export product in value terms. For the economy, it was even more important than diamonds. In 1987, the export of coal accounted for 8% of South African export income. The South African economy would be hard hit by a cessation of coal exports, and is therefore vulnerable to a coal boycott.

So far, Verhaaren said, only a few countries had adopted explicit coal sanctions—France, Ireland, the Scandinavian countries, some Commonwealth countries and the US. Their boycotts had stopped the growth of South African coal exports, she claimed. As a result, mining companies had halted investments in coal mines, and plans to increase the capacity of the Richard's Bay terminal had been postponed.

She said that presently, more than 80% of the exports of South African coal was shipped to two regions—Europe and the Far East. These coal-importing regions were able to do without South African coal. The US and, in the medium to long term Australia, were capable of satisfying the need of 43 million tons of exports.

OIL EMBARGO against SOUTH AFRICA

This Newsletter offers a compilation of reports on the international oil embargo against South Africa. The Newsletter is published quarterly by the Shipping Research Bureau, P.O. Box 11898, 1001 GW Amsterdam, The Netherlands, Phone +20 266073/251300 Telex 10236 sanam nl Telefax +20 220130

SOUTH AFRICA

Costs of Mossel Bay soaring
to at least R7.8 billion

The cost of the M.
be at least 20 per
allocated by the S.

INTERNATIONAL CAMPAIGN AGAINST SHELL

Singapore adopts oil embargo

Singapore ships are no longer allowed to transport oil to South Africa. Moreover, the export of oil and petroleum products by Singapore companies is prohibited. This was announced by the Government of Singapore on 15 September 1989. The Ministry of Foreign Affairs said in a statement that the decision was taken in support of the international oil embargo against South Africa. Singapore is a major oil refiner and its decision to stop oil exports to South Africa will have a significant impact on the country's oil industry. The cost of the M. be at least 20 per allocated by the S. now es. Singapore ships are no longer allowed to transport oil to South Africa. Moreover, the export of oil and petroleum products by Singapore companies is prohibited. This was announced by the Government of Singapore on 15 September 1989. The Ministry of Foreign Affairs said in a statement that the decision was taken in support of the international oil embargo against South Africa. Singapore is a major oil refiner and its decision to stop oil exports to South Africa will have a significant impact on the country's oil industry.

Commonwealth foreign ministers urge tougher sanctions

The Commonwealth Committee of Foreign Ministers has urged a tightening of sanctions against South Africa at its meeting in Canberra, in August 1989. The foreign

S.A. National Energy Council:
Oil boycott is increasing

Mobil refuses to reveal terms of sale

United Nations World Health Organisation

Shell
future in South Africa?

Oil purchases incite wide scale corruption
The potential for corruption within the apartheid Government and within the apartheid system is absolutely colossal, claimed Mr. D.J.N. Malcomess, a South African Member of Parliament (PFP), earlier this year in a parliamentary speech.

National Energy Council said that suppliers not to supply crude oil from time to time, reviews the possibility of the oil industry, it is clear that it is still in the national control of the oil industry.

to be continued on page 2

to be continued on page 2

COAL MONITOR

No. 1 OCTOBER 1989

Shipping Research section

In March this year the Shipping Research Bureau extended by a coal section. The aim of the coal section is to contribute to the achievement of an international boycott of coal originating from South Africa. Its first activities in this field are the monitoring of shipping movements from South Africa to Western Europe and identifying the companies involved in the production, trade, shipping and use of coal. The Shipping Research Bureau takes advantage of the experience in this field of Working Group Kairos, based in Utrecht, the Netherlands, which has

BP South Africa disposes of coal division

Why adopt a boycott of South African coal?

In 1988 coal was the largest contributor to foreign exchange earnings after gold. A total of 42.6 million tons was sold, valued at R 2,730 million. Because exports of coal accounted for 10 per cent of South Africa's export earnings, the economy would be hard hit by a coal ban.

South African organisations such as the African National Congress, the Pan Africanist Congress, the United Democratic Front, the church, the archbishop Desmond Tutu and Boesak, the Congress of Unions and the National called repeatedly for a coal boycott.

Israel as transshipment center for South African coal

South Africa is negotiating with Israel to set up storage facilities at the Israeli ports Ashdod and Haifa. The plan is to ship coal from South Africa to these ports and then to Europe. This would allow South Africa to continue its coal exports to Europe despite the international boycott. The plan is to ship 45.4 million tons in 1987. As a result of the boycott, the capacity of the Richards Bay coal port has been reduced. In 1988 however, exports were slightly to 42.6 million tons.

(Report of the Department of Mineral and Energy, year ended 31 December 1988, Republic of South Africa.)

International political overview

End 1985 France was the first country to introduce a (partial) coal boycott. It declared not to renew the contracts between South Africa and the French

Increase of South Africa's coal exports

In 1988 the South African coal industry recorded its highest ever earnings of R 5.7 billion, compared with R 4.5 billion in 1987. This was due to a combination of factors, including a rise in the price of coal and an increase in exports. The coal industry has been a major source of revenue for the South African government. The industry has also been a target of international pressure to end its support of the apartheid regime. The industry has responded by increasing its efforts to export coal to countries that do not have a coal boycott.

The United States banned coal in October 1986 when the Comprehensive Anti-Apartheid Act was adopted. The Scandinavian countries Denmark, Norway, Sweden and Finland prohibited the import of South African coal in 1987 (in January, March, July and October, respectively). Iceland followed in January 1989. Worth mentioning is that as early as 1983 the Danish Parliament adopted a resolution, which asked the government to force Danish companies to end all S.A. coal imports by 1990.

The FRG limited the import of S.A. coal. No more than four million tons were allowed to be imported into the country. At the company level, two public controlled electricity companies Stadtwerke Bremen and Stadtwerke Saarbrücken boycott S.A. coal. This same applies to the British Central Electricity Generating Board and the South of Scotland Electricity Board and to the Dutch company GKI which purchases the coal for the Dutch electricity companies.

It is interesting to know that at present almost all exports of South African coal are shipped to two regions: the European Community and the Far East. These regions each import approximately half of the

China new importer of South African

China is a new importer of South African coal. It has been reported that China has agreed to import 1 million tons of South African coal in 1989. This would be a significant increase in China's coal imports from South Africa. China is a major coal producer and consumer. It has been a long time since it has imported coal from South Africa. The new agreement is seen as a sign of improved relations between the two countries.

**MFA PRESS STATEMENT ON
SINGAPORE'S POLICY ON OIL TRADE WITH SOUTH AFRICA**

The Singapore Government is unequivocally opposed to apartheid and the racist policies of the South African Government. It has consistently supported United Nations General Assembly (UNGA) resolutions condemning the repressive policies and practices of the Pretoria regime.

2 In compliance with UNGA resolutions calling for the complete cessation of the supply of petroleum and petroleum products to South Africa, and with the Commonwealth Accord on Southern Africa calling for an oil embargo against South Africa, the Singapore Government is banning the carriage of oil to South Africa by Singapore-flagged ships with effect from 15 September 1989. Shipping companies owned by the Singapore Government will include "end-user" clauses and other conditions in their charter agreements to ensure compliance with the embargo. Singapore-registered ships violating this ban are liable to have their registrations cancelled. An administrative ban on the export of oil and petroleum products to South Africa will also come into effect on 15 September 1989. The Trade Development Board has issued a circular (copy attached) informing companies trading in petroleum and petroleum products in Singapore of this administrative ban.

3 All imports from South Africa are already banned under the Prohibition of Imports (South Africa) Order, 1965. The Singapore Government firmly discourages contacts of any kind, including political, economic, military, cultural and sports, with South Africa. It is ready to cooperate in any collective international effort that will effectively prevent oil trade with South Africa and isolate the Pretoria regime.

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Ministry of Foreign Affairs
15 September 1989

44/27 H. Oil embargo against South Africa

The General Assembly,

Having considered the report of the Intergovernmental Group to Monitor the Supply and Shipping of Oil and Petroleum Products to South Africa, 1/

Recalling its resolutions on an oil embargo against South Africa, in particular resolution 43/50 J of 3 December 1988,

Noting that, while oil-exporting States have committed themselves to an oil embargo against South Africa, very few major shipping States have done so,

Concerned that the racist régime of South Africa has been able to circumvent the oil embargoes and comparable measures adopted by States,

Commending action taken by labour unions, student groups and anti-apartheid organizations against companies involved in the violation of the oil embargo against South Africa, and for the enforcement of the embargo,

Convinced that an effective oil embargo against South Africa would complement the arms embargo against the apartheid régime, and serve to curtail both its acts of aggression against the front-line States and its repression of the people of South Africa,

1. Takes note of the report of the Intergovernmental Group to Monitor the Supply and Shipping of Oil and Petroleum Products to South Africa; 1/

2. Takes note also of the intention of the Intergovernmental Group to submit an interim report to the Assembly at its forty-fourth session, in keeping with paragraph 44 of its report;

3. Takes note as well of the report of the Panel on the Hearings on the Oil Embargo against South Africa held in New York on 12 and 13 April 1989; 2/

4. Urges the Security Council to take action without further delay to impose a mandatory embargo on the supply and shipping of oil and petroleum products to South Africa as well as the supply of equipment and technology to, financing of and investment in its oil industry and coal liquefaction projects;

5. Requests all States concerned, pending a decision by the Security Council, to adopt effective measures and/or legislation to broaden the scope of the oil embargo in order to ensure the complete cessation of the supply and shipping of oil and petroleum products to South Africa, whether directly or indirectly, and in particular:

(a) To apply strictly the "end users" clause and other conditions concerning restriction on destination to ensure compliance with the embargo;

(b) To compel the companies originally selling or purchasing oil or petroleum products, as appropriate to each nation, to desist from selling, reselling or otherwise transferring oil and petroleum products to South Africa, whether directly or indirectly;

(c) To establish strict control over the supply of oil and petroleum products to South Africa by intermediaries, oil companies and traders by placing responsibility for the fulfilment of the contract on the first buyer or seller of oil and petroleum products who would, therefore, be liable for the actions of these parties;

(d) To prevent access by South Africa to other sources of energy, including the supply of raw materials, technical know-how, financial assistance and transport;

(e) To prohibit all assistance to apartheid South Africa, including the provision of finance, technology, equipment or personnel for the prospecting, development or production of hydrocarbon resources, the construction or operation of oil-from-coal or oil-from-gas plants or the development and operation of plants producing fuel substitutes and additives such as ethanol and methanol;

(f) To prevent South African corporations from maintaining or expanding their holdings in oil companies or properties outside South Africa;

(g) To terminate the transport of oil and petroleum products to South Africa by ships flying their flags, or by ships that are ultimately owned, managed or chartered by their nationals or by companies within their jurisdiction;

(h) To develop a system for registration of ships, registered or owned by their nationals, that have unloaded oil or petroleum products in South Africa in contravention of embargoes imposed, and to discourage such ships from calling at South African ports;

(i) To impose penal action against companies and individuals that have been involved in violating the oil embargo, and to publicize cases of successful prosecutions in conformity with their national laws;

(j) To gather, exchange and disseminate information regarding violations of the oil embargo, including ways and means to prevent such violations, and to take concerted measures against violators;

6. Authorizes the Intergovernmental Group to take action to promote public awareness of the oil embargo against South Africa, including, when necessary, sending missions and participating in relevant conferences and meetings;

7. Requests the Intergovernmental Group to submit to the General Assembly at its forty-fifth session a report on the implementation of the present resolution, including proposals for strengthening the mechanism to monitor the supply and shipment of oil and petroleum products to South Africa;

8. Requests all States to extend their co-operation to the Intergovernmental Group in the implementation of the present resolution, including submission of proposals for strengthening the mechanism to monitor the supply and shipment of oil and petroleum products to South Africa;

9. Requests the Secretary-General to provide the Intergovernmental Group with all necessary assistance for the implementation of the present resolution.

ADOPTED ON 22 NOVEMBER 1989: In favour: 139; Against: 2; Abstaining: 14

RECORDED VOTE ON RESOLUTION 44/27 H:

In favour: Afghanistan, Albania, Algeria, Angola, Antigua and Barbuda, Argentina, Australia, Austria, Bahamas, Bahrain, Barbados, Belize, Benin, Bhutan, Bolivia, Brazil, Brunei Darussalam, Bulgaria, Burkina Faso, Burundi, Byelorussian Soviet Socialist Republic, Cameroon, Cape Verde, Central African Republic, Chad, Chile, China, Colombia, Comoros, Congo, Costa Rica, Côte d'Ivoire, Cuba, Cyprus, Czechoslovakia, Democratic Kampuchea, Democratic Yemen, Denmark, Djibouti, Dominica, Dominican Republic, Ecuador, Egypt, Equatorial Guinea, Ethiopia, Fiji, Finland, Gabon, Gambia, German Democratic Republic, Ghana, Grenada, Guatemala, Guinea, Guinea-Bissau, Guyana, Haiti, Honduras, Hungary, Iceland, India, Indonesia, Iran (Islamic Republic of), Iraq, Ireland, Italy, Jamaica, Jordan, Kenya, Kuwait, Lao People's Democratic Republic, Lebanon, Liberia, Libyan Arab Jamahiriya, Madagascar, Malaysia, Maldives, Mali, Malta, Mauritania, Mauritius, Mexico, Mongolia, Morocco, Mozambique, Myanmar, Nepal, New Zealand, Nicaragua, Niger, Nigeria, Norway, Oman, Pakistan, Panama, Papua New Guinea, Peru, Philippines, Poland, Qatar, Romania, Rwanda, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Samoa, Sao Tome and Principe, Saudi Arabia, Senegal, Seychelles, Sierra Leone, Singapore, Solomon Islands, Somalia, Spain, Sri Lanka, Sudan, Suriname, Sweden, Syrian Arab Republic, Thailand, Togo, Trinidad and Tobago, Tunisia, Turkey, Uganda, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Arab Emirates, United Republic of Tanzania, Uruguay, Vanuatu, Venezuela, Viet Nam, Yemen, Yugoslavia, Zaïre, Zambia, Zimbabwe.

Against: United Kingdom, United States.

Abstaining: Belgium, Botswana, Canada, France, Germany, Federal Republic of, Greece, Israel, Japan, Lesotho, Luxembourg, Malawi, Netherlands, Portugal, Swaziland.

Absent: Bangladesh, El Salvador, Paraguay.

Result of vote on the above resolution and on previous similar resolutions

Year	Resolution	Yes	No	Abstention
1989	44/27 H	139	2	14
1988	43/50 J	138	2	14
1987	42/23 F	138	4	12
1986	41/35 F	136	5	15