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t 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, PO. Box ll898. lOOl GW Amsterdam, the Netherlands.Phone (020) 266073/25l300. Telex l7l25 comsa nl.

EUROPEAN COMMUNITY

Measure of tcessation of oil exports to South Africa crippled by evident loopholes

partners no! lo diclose any in/brmation'. In previous years similar trans-shipment practices have been used to ship North Sea oil originated in the United Kingdom and Norway to South Africa via Rotterdam.

Another important loophole in the EC-measure is the exclusion of export of refined petroleum products to South Africa. Not only refined products as such are still allowed to end up in South Africa, but also it is possible to circumvent the EC-measure, when large quantities of crude oil are mixed with smaller volumes of petroleum products in storage tanks or ships in West European ports. In doing so, these volumes are handled, not as crude oil, but as petroleun products appearing as such in customs documents and trade statistics.

Neither is the EC-measure affecting involvement by EC-registered shipping companies, oil companies and oil traders in transport and sale of oil to South Africa. Shipping Research Bureau data indicate about 70 per cent of all companies involved are based in Western Europe.

Moreover, other forms OfWest European involvement in breaking the oil embargo against South Africa are not dealt with by the EC-measure:

A limited oil embargo against South Africa by the European Community (EC) as was presented on 10 t . September 1985 in the socalled Luxemburg accord, is lacking effectiveness because of endurance of the existing loopholes.

On 10 September the Foreign Ministers ofthe Twelve member states of the EC decided _ in the framework of the European Political Cooperation _ to introduce a package of 'restrictive measures'as a tlegitimale and necessary signal to the South African governmenl '. One of these measures was lc'essalion Ql'oi/ exports to the RSA '.

A further interpretation of this measure was initially given as a ban on export of only crude oil produced in EC-member states. In practice this applied mainly to North Sea oil produced in the United Kingdom, Denmark and the Netherlands. Since it is believed virtually no North Sea oil is going anymore to South Africa, the EC-countries decided to add an other category of crude oil: On 28 January 1986 they agreed this measure should cover also icrude oil brought into free circulationi within the common market. Although an official definition was not given, apparently is O O meant crude oil originated in third counties which has . . . . . .

. . . _ _ Refining and marketing of Oil in South Africa by

Etietgslmported 1n the EC and traded Vla EC member EC-based oil majors as SHELL, BP and T OTAL.

_ Transfer of technology to SASOL, South Africais parastatal oil company converting coal into liquid fuels.

_ Support to South Africais oil/ gas exploration state-owned company SOEKOR by means of supply of off-shore equipment and know-how.

_ Bank loans to South Africais oil industry.

However, a substantial volume of crude oil will not be covered by this measure. This is crude oil held in

bonded storage (entrep6t) and transit since this oil,
according to existing customs regulations, is not
entering the market of free circulation. So, in practice
it is still possible for tanker and oil companies to load
crude oil destined for South Africa in trans-shipment
ports in Western Europe.
Findings by the Shipping Research Bureau show that
of a total of 26 crude oil deliveries to South Africa via
trans-shipment in Rotterdam in the period 1979-1984
all cargoes were exported from bonded storage. A
recent example is the tanker Berge King which trans-
ported in July-August 1985 a cargo oflranian crude oil
to South Africa through Rotterdam. Dutch and West
(jet man port authorities were deceived by the Norwe-
gian shipowner Bergesen and its Rotterdam agent Cela
Shipping making believe this cargo was off-loaded in
the West German port of Wilhelmshaven. This ship-
ment to South Africa was not denied by the shipowner.
but a spokesman of Bergesen refused to make any _ . , _ ,
statement since 'we are um/erpressure 0/01". (t(Jl'llfalll llggtillicrgc Kings UlikiCiHCr
ysuc l)c Volkskrunl(theNethcrlunds). lbOctobe..
Although the EC-measure was announced to be in
effect at the latest on 31 January 1986 _ a few days
before the Lusaka Conference of the EC and the
Frontline States _ implementation by national legis-
lative measures in the EC-member states has still to be
worked out. At the level ofthe European Commission
(the Communityls supranational administrative body)
which is responsible for monitoring and harmonizing
all different national measures to be taken possible
ways of implementation are studied. It is expected the
outcome will be a combination of supranational
guidelines and national legislation.
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SOUTH AFRICA

SASOLls Chairman:
South Africa more dependent on imported oil

Despite SASOLls production of liquid fuels from coal and new plans for synthetic fuel production, South Africals vulnerability to an oil embargo is growing. This was actually admitted by Mr. D.P. de Villiers, SASOLls chairman in his review on the companyls annual results in October 1985.

Anticipating no further expansion of oiI-from-coal production by SASOL is likely, Mr. de Villiersl conclusion was: lThefuel consumption ofthe Republic ofSouth Africa is increasing and the ability ofSasol to bring about production increases in its three existing factories will decrease in time. This makes South Africa more dependent on imported petroleumi

A similar observation, already in August 1984, was made by the Director-General of the Department of Mineral and Energy Affairs, Mr. Louw Alberts when he stated South Africals partial self-sufficiency: due to Sasol production was tending to decrease: lThis reduction of crude oil imports, however, is less than the quantity ofcrude oil replaced by the Sasolproduction offuels because ofgrowth in market demandi

Also South Africa’s Minister of Mineral and Energy Affairs, Mr. Danie Steyn recently confirmed that there is a constant increase in demand of liquid fuels in South Africa, thereby stressing the necessity of building with regularity new plants producing synthetic fuels.

In oil industry circles, however, viability of new synthetic fuel plans such as the Mosselbay oil-from-gas project is broadly questioned. A report draWn up by energy consultant Dr. Paul Conlon and published by the United Nations Centre against Apartheid in October 1985 concluded: lPretorials offshore oil ambition could only be accomplished, if at all, in massive violation of all commonly acceptedprofilabi/ity slandardsi

Present international oil market conditions showing a sharp fall of crude oil prices to levels below US $ 15 a barrel indicate economic viability of new South African synthetic fuel production is more in the clouds than ever.

lFinanciaI Mail, l0 August I984 and 4 October 1985: Beelden (Belgium. January I986: Dr. Paul Conlon. South Al’ricais offshore oil exploration. UN Centre against Apartheid. Notes and Documents 8 85. Non York. October l9851

The Mosselbay oiI-from-gas-project:
Western companies invited to tender

On 14 November I985 the South African government has decided to go ahead with the exploitation of the Mosselbay gasfield. This is planned to be the first of three synthetic fuel projects to be developed in order to counter the growing threats of boycots and the week position of the Rand. To counter South Africals increasing isolation the government tries to develop Iindependentl fuel supplies. Synfuel projects such as SASOL were seen as viable, not for economic but for strategic reasons. In the seventies the giant oil-from-coal conversion plants of Sasol Two and Three were built as a direct result of the international oil embago against South Africa It 15 estimated SASOL production covers one third of South Africa 5 total needs of liquid fuels However, no additional plants using this technology are considered, apparently because the government has realized SASOL is too capital-intensive and its production cost of synthetic fuels is too high.

Since MOBIL did develop a new process in 1983 to convert hydrocarbon gas and condensate into gasoline

and diesel fuels, offshore gas fields have become of interest for the South African market as an alternative source of imported crude oil from abroad. According to the state-owned oil exploration company SOEKOR the Mosselbay field has reserves of 1,220 billion standard cubic feet and it expects to yield a production in 1992 of 20,000 barrels a day for a period ofabout 20 years. This quantity would meet about 5 per cent of South Africals total consumption of liquid fuels.
Total costs of the Mosselbay project are estimated by the government to be more than 5,200 million Rands.
The costs ofthe production platform and pipelines are R 3,500 million while onshore processing facilities are expected to cost an additional R 1,700 million.
Similar to the SASOL operation in financing this project the South African state will participate through its Central Energy Fund (CEF). This secret fund is covering the costs of research, development and construction of all energy projects in South Africa.
CEF was established as the successor of the State Oil Fund (SOF) which financed the construction of SA-SOL. The fund itself is financed _ through various levies on- fuel consumption _ by tax payers and petrol consumersl money. In addition the government is hoping for a maximal contribution by the private sector. It is expected the government will initially offer South Africals oil majors(Mobi1, Caltex, Shell, BP and Total) a stake in the onshore component.
To manage the offshore development four foreign companies, two US and two British, are reportedly 1n the running A government 5 condition of participation by overseas contractors is that at least 40 per cent of total engineering and construction work should be handled by South African companies. The companies invited to tender include EMSO, which carried out the Mosselbay feasibility study in I985. EMSO is 60% owned by the South African company EMS, a subsidiary of Murray & Roberts, the US company of Crawford & Russell International holds the rest. Other foreign contenders are Brown & Root and Humphreys & Glasgow, both British engineering firms with strong US links. The final US company is International Bechtel.
The absence of Fluor Corporation which was the main contractor of SASOL and originally tipped as contender for the feasibility study, has given rise to expectations that the SASOL synthol process will not be used anymore.
All contenders are bound by secrecy clauses and are not allowed to talk about their proposals. At the earliest date, succesful tenders are expected to be announced in March 1986 after SOEKOR has made its recommendations to the government.
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Two other synthetic fuel projects are under considera-
tin by the South African government. One is a R 2,500
million oil-from-coal conversion project using Mobil
technology, planned by AECl/Amcoal in which the
British chemical giant ICI and the Anglo American
Group of South Africa are major shareholders. The
other is a smaller oil-from-shale project proposed by
the South African mining house Gencor.

On 14 November I985 President, Mr. P.W. Botha
dismissed the Indian House of Delegates Budget
Minister, Mr. Ebrahim Abramjee, from the Indian
Ministerls Council. Mr. Botha accused him of lifting
details to the press on the secret Mosselbay gas project.
According to President Botha the Indian Minister had
failed to honour his undertaking in terms of the
Constitution Act not to divulge, directly or indirectly,
any matters which have been entrusted to him in
secrecyi A day before Mr. Ambramjee had revealed
the South African government had decided upon three
synthetic fuel projects, one of them being the exploita-
tion of offshore gas deposits south off Mosselbay.

ll-iinancial Mail (South Africa). 22 November 1985 and l0 January T986;
Financial Times. l5 November I985: Southern Africa Report (South Alrlca):
22 November I9851

New increase in petrol prices

Since a massive price increase of more than 40 per cent
in the beginning of 1985, two more increases of petrol
prices have followed bringing the total increase over
1985 to 60 per cent compared with 1984 prices.

In September 1985 a new increase of 5% came into
effect. Finally, in November 1985 the South African
Minister of Mineral and Energy Affairs, Mr. Danie
Steyn, announced a further increase of 7 per cent.
Price increases of diesel and paraffin were also an-
nounced. According to the Minister the increase was
caused wholly by the poor rand-dollar exhange rate.

lWeekly Mail (South Africa) 8 NovemberI985;FinancialMai120 September
I985J

Marino Chiavelli

5A lengthy court case before Witwatersrand Supreme
Court between businessmen on alleged claims for
commission in oil deals has ended in August 1985. In
this case which was held behind closed doors, a South
African food company tFontana Holdings (Pty) Ltd.’
owned by Mr. Taki Xenopoules claimed about R 85
millions plus interest from Mr. Marino Chiavelli for
not paying commissions on oil deals. The out-of court
settlement has been kept secret in term ofthe National
Supplies Procurement Act prohibiting any disclosure
on business relating to strategic commodities.

The opposition party in South African Parliament, the
Progressive Federal Party (PFP), has urged the g0-
vernment to reveal once and for all whether Mr.
Chiavelli had supplied oil to South Africa.

PFPls energy spokesman, Mr. Brian Goodall said it
was time to release more details and that the Minister
of Mineral and Energy Affairs, Mr. Danie Steyn,
would be asked whether he stands by his statement
made in 1984 saying Mr. Chiavelli had not been
involved in oil procurement for South Africa. An
official report by the South African Advocate-General
published in June 1984 on the countryls oil procure-
ment apparatus, excessive payments to oil traders like
Mr. John Deuss and Mr. Marc Rich, and alleged
corruption by state officials, had concluded that no
details on this could be given as long as the case was
tsub judicel. In its conclusion this report suggested
however that more information would become avai-
lable once this court case ran its course.

In 1982 Mr. Chiavelli who has acquired South African citizenship, told,the Italian magazine tLa Vocel that the source of his lfabulousl fortune estimated at R 2,500 million was Arab oil.

iBusiness Day (South Africa). 22 August 19851

TRADE UNIONS

Embargo breakers face boycotts by Maritime Unions

Any ship detected to be involved in oil deliveries to South Africa will be liable to direct action by trade unions throughout the world. This threat of boycotts against ships, oil and shipping companies was the main result of an international conference by seafarersl and dockersl unions from more than 30 countries. The Conference on Oil Supplies to South Africa was held on 30-31 October 1985 in London and was sponsored by the United Nations Special Committee against Apartheid. lniatives were taken by the tMaritime Unions against Apartheid (MUAA), a group of seamenls and dockers' unions of Denmark, Australia and the United Kingdom.

Emphasizing their position, Mr. Jim Slater. general-secretary of the British National Union of Seamen, said There have been many resolutions from individual trade unions and international trade union organisations condemning apartheid, but we have to go beyond this and translate all the verbal support into positive action, and to commit ourselves to tightening the embargo on oil supplies to South Africa. '

Illustrating the companies vulnerability to trade union action Mr. Slater stated 'We all knowfi'om previous disputes with shipping companies that you don '1 need a complete strike 10 have a major effect. Shipping companies take a lo! ofnotiee 0f24-hour or 48-hour stoppages. By simply delaying ships from sailing, shipping companies incur substantial extra costs, their reliability becomes suspect and their availability to obtain charters at economic- rates isjeopara'ised. This will automaticallr increase the risks and the costs of being involved in the supply ()foil.v

A clear example was already shown on the first day of the conference by the British Transport and General Workers Union by refusing to unload cargoes of South African coal in British ports. All companies known to be involved in oil deliveries to South Africa

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are urged by the unions concerned to give assurance they will stop this trade. If this assurance is not given, they are threatened by boycott actions, not only against tankers but against all other ships owned by the company involved.

In its opening session the conference was addressed by the ANC-President, Mr. Oliver Tambo, leader of the British Labour Party, Mr. Neil Kinnock, chairman of the British Anti Apartheid Movement, Bishop Trevor Huddlestone and by the chairman of the United Nations Special Committee Against Apartheid, Mr. J oseph Garba.

The conference further resolved that all seafarers, port, dock and other transport workers represented will:

- press on governments, including those offering flag of convenience facilities, to pass national legislation and regulations to make it illegal to supply or transport oil to the South African apartheid regime.
- exchange information on ships violating the UN oil embargo on South Africa, including those discharging oil in Namibia.
- take direct actions against the vessels of any companies involvedin supplying oil to South Africa.
- coordinate their activity in these areas to facilitate the speediest and fullest implementation of the UN oil embargo on South Africaf

In support of the conference the Shipping Research Bureau presented a special survey called ICompanies breaking the Oil Embargo against South Africa3 containing a list of all companies identified in oil deliveries to South Africa in the period 1979-1983. In addition some findings were given on the years 1983-1985, a period which is still under investigation.

Companies breaking the oil embargo, 1979-1983

In its survey 1Companies breaking the oil embargo against South Africa the Shipping Research Bureau has listed the names and addresses of the oil companies, oil traders, shipowners and managing companies linked with the tankers identified. The names of the tankers are listed in order of month of call at South Africa, their deadweight tonnage and flag. In case ships - after their call at South Africa _ were renamed, sold or scrapped this information is also indicated.

In summary the SRB findings on the period January 1979-January 1983 were the following:

- A total of 164 tankers and combined carriers were identified.
- The oil-transport capacity of these 164 cases amounted to about 33 milion tons, or to more than half of South Africais crude oil import needs during this 4 year period.
- Most of the crude oil was shipped directly to South Africa from oil exporting countries: over 60% of the vessels sailed to South Africa from the Arabian / Persian Gulf area; some 12% sailed from (pre-independent) Brunei and some 8% from other oil exporting countries.

The remaining 20% of the vessels were loaded in a trans-shipment port, mainly in the Netherlands (20 cases) and the Netherlands Antilles (10 cases), from which they sailed to South Africa.

- The oil companies which were heavily involved in the crude oil trade with South Africa are:

Transworld OiI/TWO/John Deuss (Netherlands/ Bermuda)
Shell (Netherlands/ U.K.)
Vitol Trading (Netherlands/Switzerland)
Marc Rich (Switzerland/U.S.A.)
Marimpex (FR. Germany)

British Petroleum (U.K.)
- The shipping companies which were frequently chartering out their ships for oil deliveries to South Africa are:
A.P. Moller-Maersk Line (Denmark)
Sig. Bergesen D.Y. (Norway)
Havtor/Havtor Management (Norway)
Staubo/Verven (Norway)
Cast-Eurocanadian (Switzerland / Bermuda/Canada)
Hansen-Tangen (Norway)
Godager (Norway)
In a later period the Norwegian shipowner Thor Dahl transported large quantities of crude oil to South Africa.
- Almost half of the 164 cases identified were linked with Norwegian-based shipping companies, although only 7% of the World Tanker Tonnage was under Norwegian control. Together these Norwegian ships could have transported some 16 million tons of crude oil to South Africa, or over 25% of South Africais crude oil import needs during this 4 year period.
During the periodJan. 1979-Jan. 1983,5evera1tendencies can be noted which have changed the pattern ofthe crude oil supplies to South Africa considerably.
- The secrecy surrounding oil deliveries increased dramatically:
-in 1979 about one third of the identified vessels made a secret call at South Africa when apparently delivering their crude oil; in 1982 over 90% of the identified tankers calls at South Africa were kept strictly secret;
-in 1979, in about a quarter of the identified oil shipments to South Africa, the oil company could not be identified; in 1982 over 90% ofthe identified crude oil deliveries to South Africa were covered by secret charter parties, thus protecting the identity of the 011 companies involved.
- Changes also took place in the origin of the oil which was shipped to South Africa, and the areas at which the tankers were loaded:
- in 1979 ships sailed to South Africa from some seyen different oil loading areas/countries; in 1982 shlps only sailed from three different areas/countrles;
- in 1979 about 30% 0f the oil cargo was loaded in trans-shipment ports, mainly in Rotterdam/Europoort and the Netherlands Antilles. In 1982 transshipment played only a minor role;
- in 1979 about half of the ships identified loaded their South Africa bound oil cargo in the Gulfarea; in 1982 over three quarters of the oil shipments identifled, originated in the Gulf area.
3, February 1986.

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- Changes can also be noticed in the type of companies which shipped crude oil to South Africa, and in their commercial activities:
- in 1979 the four major oil companies Shell, BP, Exxon and Mobil were responsible for over 40% of the identified oil shipments. In 1982 the oil majors apparently had withdrawn from the direct, open supply of crude oil to South Africa.
The role of the oil traders Transworld Oil/John Deuss, Marc Rich and Marimpex has increased since 1979.
- several of the shipping companies which were very deeply involved in the shipment of crude oil have now stopped this trade, or wound up most of theirs tanker activities or even ceased to exist: A.P. Moller (20 cases), Staubo/Verven(14), A/S Havtor (ll), Cast-Eurocanadian (9). Hansen-Tangen (9), Godager (8), SHV & Rijn-Schelde-Verolme (6) Schlussel (3) and Klaveness (2).
(Shipping Research Bureaut Companies breaking the ()i1 Embargo against South Africa. Amsterdam. October 1985, Survey.)

AUSTRALIA

Direct action stops shipping company

Direct action taken by the Seamen1s Union of Australia against a shipping company delivering oil to South Africa has resulted in this company1s decision to stop trading oil to South Africa. This was caused by the fact that the tanker tBotany Triadt on charter to the Botany Bay Shipping Company (Australia) Pty. Ltd. was transporting transformer oil from Houston, USA to Durban when it collided with a Chinese ship offSouth Africa on 6 December 1985. The Panama-flagged Botany Triad is owned by the Japanese company Abo Shoten of Omonichi.
Since 12 December 1985 two ships, tBotany Trinity and Botany Troubadourl, also on charter to Botany Bay Shipping Company, have been boycotted offthe Australian ports of Sidney and Botany. After talks on the companys participation in the South African oil trade, the managing director gave the assurance on 16 December 1985 that his Australian company would not engage in any further oil trade with South Africa: 1/ hereby confirm that this company undertakes not to engage in the carriage ofcrude oil, petroleum produvts or any derivatives ofpetroleum products either into of out South Africa in accord with the United Nations oil embargo against South Africa.’

Ghana

Endorsing the decisions made at the International Conference of Maritime Unions on Oil Supplies to South Africa of October 1985 in London, the Maritime and Dockworkers1s Union (MDU) of the Ghana Trades Union Congress (TUC) has publicly announced it will take action against companies known to be involved in oil deliveries to South Africa. The Union1s General Secretary, Mr. S.S.Q. Abloso, stated in December 1985: Shipping companies and agents who are involved in the supply ofoil to South A frica either directly or through Namibia have been warned that vessels under their jurisdiction are liable to the Union ’3 boycott when they call at any of Ghana’s p0rts.’
(People’s Daily Graphic (Ghana). 6 December 1985)

USA

New campaign against SHELL

After year-long demonstrations in front of the South African Embassy in Washington, the Free South Africa Movemeht has decided to target the private sector for its involvement in South Africa. The first target is to be SHELL Oil, the American subsidiary of the Royal Dutch/Shell Group. Mr. Randall Robinson, leader of the Free South African Movement, stated oil was South Africa1s Achilles1 heel and he accused the Royal Dutch/Shell Group of violatingthe oil embargo by shipping oil to South Africa through traders and middlemen. He also charged Shell with contributing to repression in South Africa by supplying the South African military and police and with using union-busting tactics at the South African Rietspruit coal mine which is 50%-owned by Shell.

On 9 January 1986 the Free South African Movement showed it had joined hands with Americas largest trade union federation. AFL-CIO (13 million members), in a campaign to force Shell out ofSouth Africa.

In a-unprecedented step of both movements they called on all Americans to boycott Shell products and to destroy their Shell credit cards. Shell Oil Co. is operating about 11,000 petrol stations in the USA and its share in total profits of the Royal Dutch/Shell Group is about 30 per cent.

This nation-wide campaign is furthermore supported by the United Auto Workers, United Mine Workers of America, American Federation of Government Employees, International Union of Bricklayers, National Education Association (a teachefs union), Coalition of Black Trade Unionists and the National Organization for Women.

In a joint statement the President of AFL-CIO, Mr. Lane Kirkland and Mr. Randall Robinson, co-chairman of the Free South Africa Movement said: 1We hope this boycott will encourage Shell to disinvest in South Africa as a part ofthe broad effort to pressure the South African regime to end the Apartheid systemi And the President of the United Mine Workers of America (UMWA), Mr. Richard Trumka stated: ’This boycott gives al/Americans an opportunity to strike a blow against oppression. Without the support ofShell the South African government would not be able to resist the pressure and would fallf

Mr. Robinson warned that Shell was not the only target but also other oil companies like MOBIL, EXXON and CALTEX and companies like IBM may become liable to actions.

The campaign coalition is aiming to make a dent in Shellls US pump sales by picketing its petrol stations in 13 cities. In the city of Boston actions have started in January to be followed in other cities during 1986.

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WESTERN EUROPE

Campaigns against Shell planned for 1986

The American campaign against Shell will be supported by several anti apartheid organisations and other groups in Western Europe in the course of 1986. The British Anti Apartheid Movement together with the Dutch anti apartheid organisations, the Holland Committee on Southern Africa and the Working Group KAIROS, will launch ajoint campaign against Shell in March 1986. In other West european countries such as Sweden and Denmark anti apartheid movements have also shown their support. Organisations in Canada, Australia and New Zealand have already agreed to join the international campaign against Shell during 1986.

SHELL

The companyis view: no withdrawal

In an interview with a Dutch weekly, the President of the Royal Dutch/Shell Group, Mr. Lo van Wachem gave his view on Shellis position towards South Africa, an issue which is repeatedly on his agenda, he admitted:

tWe are not planning to voluntarily abandon our subsidiary in South Africa. We have a company there which is already for some 70 years a loyal member of the Shell group. We do not supply South Africa with oil. 1 do not know how crude oil is purchasedfor our refinery in South Africa (South Africals largest refinery SAPREF isjointly owned by Shell and BP- note of SRB). Shell South Africa is not in aposition to rely on us, neither on our other trading subsidiaries elsewhere. In South Africa it is legally prohibited to disclose any information on oil supplies. In the South African situation our subsidiary there is organizing its own oilproc'urement. We could ask Shell South A friea how it is getting its oil, but in South A friea that does not make sense since the answer is not allowed to be given. We cannot urgefrom our subsidiaries to oppose the laws of the country they are based in.'

TEIsevicrs Weekblad (The Netherlands). 19 October 19851

JOHN DEUSS

Purchase of US refinery

One of South Africais main crude oil suppliers, the Dutch oil trader John Deuss/Transworld Oil (TWO), has formed a new US. company called Atlantic Petroleum Corporation. From the US oil company Atlantic Richfield (Arco) Mr. Deuss purchased an oil refinery in the USA. together with a self contained_ outlet chain of 576 service stations, terminals, pipelines and the inventory. Due to a restructuring Arco sold this 120,000 b/d East Coast refinery to Mr. John Deuss on 1 October 1985. The US $ 420 million purchase was handled in cash through his bank Banca della Svizzera ltaliana (BSI) based in Lugano, Switzerland. Since 1984 the US. bank Irving Trust Corporation has held 50% of the shares of 1381.

The other 400 petrol stations ofArco have been sold to SHELL OIL, the US. subsidiary of the Royal Dutch/Shell Group. Mr. John Deuss was reported to have made a bid also on a Chevron refinery containing about 2000 petrol stations on the East Coast.

A striking fact was two former Shell executives have been engaged by Mr. Deuss to manage his refinery. One is Mr. Ed McMahon, as Vice president in charge of marketing, supply and distribution, the other is Mr. Michael Corrie as president and chief operations officier handling day today management.

In circles of American oil marketers there were speculations that oil trader Mr. John Deus must have an underlying crude oil supply commitment from a producing country in the Middle East with some form of price or risk protection if not financial backing for this purchase Mr. Deuss has denied the United Arab Emirates (UAE) or any other producing country has a direct financial interest in this refinery. Celebrating the purchase at a lunch party near Philadelphia Mr. John Deuss hosted among others the Mayor ofthat city and the Oil Minister of-the UAE, Dr. Mana Saeed Al Oteiba. D. Oteiba, who is a prominent memberofthe OPEC market committee, told Mr. Deuss on that occasion: l1 am very impressed by this risky step you have taken now. The oil supply you are getting from the other side of the globe can make the refinery into a profitable one'.

Interviewd by a reporter of the tPhiladelphia Inquirerl Mr. Deuss pointed out that not only his company but also a number ofU.S. oil companies are doing business with South Africa without violating the law of any country: 'United Nations resolutions calling for an oil embargo against South Africa have not resulted in enforcement by law in any ofthe U.N. member states'. His oil trade with South Africa is not handled through his main company Transworld Oil (TWO), but through one of his other companies, Mr. Deuss said. He refused, however, to disclose its identity. A special survey on Mr. Deuss/TWO by the SRB of January 1985 showed this is the company tLucina Ltd which concluded a three year term contract with the South African state-owned oil procurement agency Strategic Fuel Fund (SFF). In terms ofthis contract during the period January l981-March 1983 Deussi company Lucina Ltd. supplied 4 million tons of crude oil annually. A total volume of 12 million tons were shipped in 69 tanker loads, a quantity equal to about 25 per cent ofSouth Africals total annual import needs of crude oil.

When asked whether his trade with South Africa did not create problems in doing business with Arab oil-producing countries having an oil embargo policy against South Africa, Mr. Deuss grinned turning his head to Dr. Oteiba and said: Apparently not, as you can see.

iThe Oil Daily. 2 October I985: l'he Next York limes. 9 October 19x5; Xeu York Daily cht's. l4 October 1985. SRB Sun u) on John Deuss I rnnxvl'orld Oil. Januur) I985J

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THE SALEM AFFAIR

New court cases

Six years after the sinking of the tanker Salem new court cases against perpetrators show how vulnerable South Africa is to an oil embargo and which shady deals are made to circumvent the embargo. In short, this is what happened to the Salem: In December 1979 the tanker Salem was en route from Kuwait to Europe with a cargo of 193,000 tons of crude oil being carried on behalf of Shell. Four days after the Salem had left Kuwait Shell purchased its oil cargo from its original owner, the Italian oil company Pontoil. The vessel deviated from its scheduled voyage to discharge secretly its cargo off Durban. On 27 December 1979 the ships name had been changed to lLemai. About 173,000 tons were pumped ashore from a Single Buoy Mooring (SBM) near Durban and the vessel then was ballasted with seawater thus appearing it was still loaded with its original cargo. Leaving Durban _ its name changed into Salem again - it continued its voyage. Off coast Senegal on 17 January 1980 the Salem sunk under suspected circumstances.

During trials in the USA and Greece in 1985 various people have already been convicted, among them the owner of the Salem, the Houston businessman Mr. Frederick Soudan, and the Greek crew agent Mr. Nikolaos Mitakis. For their role in the sinking of the vessel and its cargo’s theft, Mr. Soudan was jailed for 35 years and Mr. Mitakis for 11 years.

(For detailed background information on the Salem affair. South Africais oil procurement organisations and the questioned role ol’Shell. see Oil Embargo Newsletter. No 2. June 19851

THE NETHERLANDS

Mr. Reidelis leading role

In a court case in Rotterdam held on 6 February 1986, the District Attorney presented evidence on the leading role by the Rotterdam businessman, Mr. Anton Reidel. Mr. Reidel acted as the pro-forma owner ofthe Salemis cargo for the South African officials of SASOL and SFF. SASOL concluded contracts with oil suppliers on behalfof South AfricaIs state-controlled oil procurement agency Strategic Fuel Fund Association (SSF).

According to the Attorney, Mr. Reidel was involved in each crucial stage during the preparation and execution of the Salem oil fraud. Mr. Reidel carried out the sale ofthe Shell-owned oil to SASOL officials and the US $ 32 million payment was transferred by SFF to Mr. Reidells bank account in Zug, Switzerland.

In a meeting with SASOL-SFF officials on 19 December 1979 at Sasolburg in South Africa, Mr. Reidel presented himself as the sole owner showing a captainls bill of lading on which the name of the original consignee, the Italian oil company Pontoil, had been deleted. In court Mr. Reidel said the South African officials were fully aware of this forged title deed since their only interest was to conceal the true identity of suppliers in order to protect South Africa from sanctions.

The prosecution called for a three-year prison sentence against Mr. Reidel. The verdict is expected on 19 February 1986.

GREECE

Salemis captain sentenced to 12 years

The Greek master of the Salem, Mr. Demitrios Georgoulis, has been sentenced to 12 years imprisonment by the Piraeus Criminal Court on 13 February 1986. Mr. Georgoulis had been arrested in October in Athens after having eluded police since 1980. On the charge of causing a deliberate sinking of the vessel he

was sentenced to ten years, of being an accomplice to embezzlement of the Salem’s crude oil cargo the verdict was four years, but the total sentence was to be set on 12 years. In addition Mr. Georgoulis was deprived of his civil rights for a period of five years.
In giving evidence to the court, Mr. Georgoulis who held no captainis certificate at all, admitted for the first time he scuttled the tanker. He claimed he was only told after discharging in Durban that the Salemis cargo had been sold to South Africa illegally. Subsequently he was instructed by the owners to scuttle the ship, he said, to cover up the fraud with promises of money for the whole crew. Mr. Georgoulis said he believed that Shell and the defunct Italian oil company Pontoil were party to and not victims of a sanctions-busting oil delivery. Mr. Georgoulis told the court: III was Shell’s oil. We unloaded it at Shell’s installations in South Africai
In a previous court case in Greece in 1985 four crew members were sentenced to smaller terms varying from two to four years. In the same trial the Greeck shipping agent, Mr. Mitakis was sentenced to 11 years.
Appeal was lodged by Mr. Georgoulis. It is expected this apeal and that of Mr. Mitakis will be heard in May 1986.
1Lloyd3 List. 14 January. 13 and 14 February 198wa
United Kingdom
Burglary in Mr. Van Vuurenis flat
A London flat of the South African businessman, Mr. J.C.J. (Johan) van Vuuren, was broken into in the summer of 1985. Mr. Van Vuuren who is closely involved in South Africa’s oil procurement, had been South Africa’s middleman helping to finance the purchase of the tanker Salem in 1979.
Mr. Van Vuuren is the head of a South African consortium which arranged an US $ 14 million deal of Saudi Arabian crude oil to be sold to Europe. It was unclear whether this was the final destination ofthe oil.
In the past Mr. Van Vuuren has had also dealings with the South African government over an oil refinery plan.
The man who was charged with conspiring to enter Mr. Van Vuurenis flat in London, is also a South African businessman. Mr. ReinierJacobus Botha. Mr.

Botha, a former major in the South African army, has jumped bail and has left the United Kingdom. He was alleged of hiring two men to burgle Mr. Van Vuurenls flat. According to Mr. Van Vuuren a file containing tax documents was stolen.
Apparently Mr. Botha had come to London to arrange for the other consortium members share of profits to be repatriated to South Africa Via Switzerland to avoid tax.
IThe Guardian, 24 August 19851

FEDERAL REPUBLIC OF GERMANY

The role of Marimpex/German Oil

On 29 October 1985 the Shipping Research Bureau published a survey on the West German oil trading company Marimpex headed by Mr. Gert Lutter. In its third main report lSecret Oil Deliveries to South Africa, 1981-19821 the SRB already in 1984 presented detailed information on the role of Marimpex in breaking the oil embargo against South Africa. Since then, in particular after a SRB report - commissioned by the City of Rotterdam _ on the use of Rotterdam as a main trans-shipment port in secret oil shipments to South Africa, new information was brought to light on Marimpexl role whichjustified a special survey on this West German oil trader. This survey shows that during the period December I980-May 1983 the Hamburg based company Marimpex sent at least ten tanker cargoes to South Africa to deliver crude. oil. The deliveries identified amount to a total of 1.37 million tons of crude-oil during a two and a half year period. All tankers involved had loaded their cargo in the port of Rotterdam in this way using trans-shipment to hide the origin of the oilland its final destination;

name of ship	cargo (tons of crude oil)	month the ship called at South Africa
Konkar Dinos	200.000 tons	Dec. 80/Jan. 81
St. Marcos	90.000 tons	August 1981
Haegh Hill	230.000 tons	September 1981
Recife	135.000 tons	0cL/Nov. 1981
St. Marcos	90.000 tons	December 1981
St. Marcos	90.000 tons	July/Aug. 1982
St. Tobias	175.000 tons	Aug./Sep. 1982
Mobil Weser	95.000 tons	December 1982
St. Benedict	185.000 tons	December 1982
Puma	80.000 tons	May 1983

Marimpex is characterized as a rather untransparant conglomerate of firms all associated with the Hamburg businessman, Mr Gert Lutter. After having been registered for some time, some of those companies were dissolved again, company names have been changed on a regular basis and Swiss-registered firms have been used for particular purposes.
In half of the ten cases identified, Marimpex was not only involved as the owner of the cargo but also as the owner of the tanker used for those oil deliveries to South Africa.
Marimpex is known as presently owning one tanker called Miraflori which is not reported accurately in standard shipping publications. Sources within the trade of oil and shipping indicate Marimpex is still involved in the secret trade of oil deliveries to South Africa. In December 1985 this tanker was renamed Rafio (miIrafiolri) apparently to disguise its role in illicit oil deliveries to South Africa. Management of the tanker is done by the Norwegian shipping company Fearnley & Eger A/S in Oslo.

German Oil

In May 1985 Marimpex entered into a joint venture with the state of Lower-Saxony to form the company lGerman Oill which was designed to get access to the shut-down refinery of Mobil Oil at Wilhelmshaven. This refinery is subject to serious political controversies within Lower-Saxony because it was erected with large-scale financial backing ofthe state government in 1978 and already shut-down by Mobil in the spring of 1985.

On 19 December 1985 Mobil Oil AG agreed to sell its refinery to German Oil and a preliminary contract was signed. The ten-year-old refinery with a capacity of 8 millibn tons annually was reportedly sold for DM 50 million plus DM 22 million for its land. German Oil is owned by Marimpex which holds 35% of the DM 2 million share capital, the state of Lower Saxony (45%) and the regional Norddeutsche Landesbank (20%).

Lower Saxonyls Economic Affairs Minister. Mrs. Breuel announced in December 1985 her government and the Norddeutsche Landesbank were planning their withdrawal as majority shareholders from German Oil duringJanuary I986. To get the Wilhelmshaven refinery on stream again about DM 280 million would be required including the first feeding load of crude oil. German Oills manager, Mr. August F. Kurtz was reported entering into financial negotiations with Iran and some other oil-exporting nations in January 1986 to take over the majority stake in German Oil and to supply the operational capital.

Newsletter on the Oil Embargo against South Africa, No. 3, February 1986.

In 1985 Marimpex had already concluded a 1net-backf agreement with the National Iranian Oil Company (NIOC) to purchase 5 million tons ofcrude oil a year to be processed by the Wilhelmshaven refinery. This net-back deal implies that NIOC as crude oil supplier is taking all economic risks since payments to Iran are made only after processing and final sale of produced refined oil products.

Marimpex traditionally has had large crude oil contracts with the USSR and Iran. In addition Marimpex has entered into contracts with Rumania and the Peoples Republic of China on the sale of petroleum products from these countries.

IShipping Research Bureau, Marimpex. a German Oil Supplier to South Africa, Amsterdam, October 1985. Survey)

IRAN

OiI-for-arms barter deal with South Africa?

The government of Iran has agreed to purchase US $ 750 million worth of South African weapons including heavy-caliber howitzers. In return South Africa will purchase Iranian crude oil ofthe same value. This was reported by the Middle East News Agency (MENA) on 12 January 1986 in Cairo. According to Mena this barter deal was revealed by the Paris-based Arabic-language Magazine IAl-Talfah al-ArabiyahI in its 13 January edition. This magazine noted that Iranian Anti-Khomeiny organisations had decided to voice their protest in messages to several heads of states of African Countries.

In addition to this report, an other Egypt-based Iranian opposition source, the radio station sVoice of the Liberation of Iran1 has reported that a delegation of the National Iranian Oil Company (NIOC) did arrive in Durban on 5 December 1985 for negotiations with South African officials on the future of the Durban oil refinery of NATREF. The South African oil company SASOL has a majority stake in NATREF. The rest is owned by the French state oil company TOTAL with 30% and by NIOC with 17.5% of the shares.

The radio station described relations between Iran and South Africa as lsteadyI adding that two South African ships filled with foodstuffs had anchored at the Iranian port of Busher.

IMENA news report. Cairo, 12 January 1986; BBC radio broadcasts, 6 December 19851

UNITED NATIONS

Israel: 1Arab nations fuel South Africa,

’The Arab governments fuel South Africalv economy and make aforturze doing it. This allegation was made by the Israeli Ambassador at the United Nations, Mr. Benjamin Netanyahu, in the UN General Assembly meeting of 31 October 1985. In his address to the Assembly the Ambassador said that Arab oil exports to South Africa comprised about US $ 2,200 million a year, assuming that 95% of all crude oil shipments in the period 1983-1984 did originale in the Arabian Gulf. Apparently, this allegation was made only emphasize that the volume of Arab oil exports alone to South Africa was far larger than Israelts entire trade to South Africa.

Of the 18 shipments traced over the years 1983-1984, 17 originated in the Arabian Gulf, the Ambassador stated. However, no detailed information or documentation was presented on idendities of tankers or companies involved during this period.

In reply to the charge by the Israel Ambassador that Saudi Arabia provided 39% of South African oil imports during 1981-1982 and does even more now, the Saudi Arabian Ambassador to the UN, Mr. Samir Shihabi, stated his country was firmly committed to a

total embargo against South Africa, particulary in oil exports. Reviewing the oil embargo policy of the OPEC and OAPEC member states, Mr. Shihabi said purchasers and shippers of Saudi crude oil were prohibited from delivering oil to South Africa.
1U 1V General Assembly Address by the Israeli Ambassador, 30 October1985;
Cape ’1 imes (South Africa) 2 November 19851
Newsletter on the Oil Embargo against South Africa, No. 3, February 1986.

THE COMMONWEALTH

Voluntary ban on sale and export of oil

The Commonwealth Conference which was held in Nassau, Bahamas, from 18 ti1121 October 1985, agreed upon the adoption of a package of teconomic measures, against South Africa. Regarding the oil embargo the final accord reads under paragraph VI: tA ban on the sale and export of oili

The measures agreed upon have a voluntary character and were to be endorsed by all 49 member countries immediately. In a six month time a group by countries (Zambia, Australia, Bahamas, Canada, India, Zimbabwe and the United Kingdom) will review these Commonwealth measures in relation to the situation in South Africa to see if stricter action is needed. The only country opposed to economic sanctions: the United Kingdom eventually joined this accord thereby accepting in principal an oil embargo against South Africa.

TFinancial Times. 22 October 1986)

UNITED KINGDOM

Loopholes in oil embargo

The Foreign office of the British government has admitted the British oil embargo against South Africa does have a important loophole: sale and export of refined petroleum products are not covered.

Before the Commonwealth agreement the British Foreign Minister, Sir Geoffrey Howe, had said: tWe do not export oil to South Africai

This along with other Foreign Office statements seemed to imply that the ban covered oil products. At the end of October, however, the Foreign Office stated that although this exclusion of oil products is a loophole, tUK exports ofoil products are small’.

Official statistics show that nearly fl 6 million worth of refined products were exported to South Africa in the first 8 months of 1985. Most of these products were lubricants essential for the South African economy.

The main British-owned companies marketing fuels and lubricants in South Africa are - through their subsidiaries - SHELL, BP and Castrol.

(New Statesman, l November 19851

Anti Apartheid Movement urges legal controls

Since the British government did at last recognize on 26 September 1985 an oil embargo as a lrestrictive measure by the European Community, the British Anti Apartheid Movement (AAM) has urged its government to strictly implement the oil embargo.

The United Kingdom has always opposed an oil embargo against South Africa. Only on export of British North Sea oil some restrictive guidelines had been introduced in 1979. Under terms of these guidelines Prime Minister, Mrs. Thatcher has stated: lNorth sea oil is only exported to our partners in the EEC and the International Energy Agency, as well as to those countries with whom we have an established pattern of trade in oil. South Africa is not included in any ofthose categoriesi.

Despite these guidelines the Shipping Research Bureau has identified at least 5 deliveries of British North Sea oil (such as Brent and Ninean crude) to South Africa in the period 1979-1981. Three of those were transported directly from the United Kingdom, the other two via trans-shipment in Rotterdam and the Spanish port of Bilbao.

The British government, however, has not been prepared to intoduce controls to enforce its own guidelines. It has informed the AAM that tit is impossible to monitor or control thirdparty trade in oili According to the AAM this refusal will send a very clear signal to the South African government that the United Kingdom is not even committed to the European Community trestrictive measures. The AAM therefore stressed the necessity of the following legal controls which should be immediately implemented:

a) a ban on North Sea oil exports to South Africa and Namibia, directly or indirectly, including the introduction of end-user certificates to control the destination of all exports;

b) a similar ban on the export to South Africa and Namibia ofrefined petroleum products ofall kinds;

c) a ban onlBritish-owned, registered, or managed vessels shipping crude oil of refined petroleum products to South Africa and Namibia. The British government should also carry out a major review of Britainls involvement in the supply, delivery, refining and marketing of oil and refined petroleum products, including British involvement in the production of oil from coal in South Africa and draw up comprehensive legislation to stop all such British involvement.

CANADA

1No alternative sourcel

On 13 September 1985 the Canadian government announced new measures to increase pressure on South Africa. It stated it was ready to go to the limit and break all economnic and diplomatic relations. Canadais External Affairs Minister, Mr. Joe Clarke, said: ’Canada is prepared to invoke total sanctions if there is no change’.

Among the measures he announced was a voluntary ban on the sale of crude oil. Mr. Clark said, although at present very little oil was sold to South Africa, he wanted to ensure that Canada did not become an alternative source for oil supplies to South Africa.

SRB findings show that in at least two cases Canadian petroleum products were shipped from Canada to South Africa. In May 1980 the tanker lJeppesen Maerski of the Danish company A.P. Moller sailed to South Africa loaded with 40,000 tons. According to an eye-witness part ofthe cargo has been discharged in the military sector of the port of Durban. Another Moller/Maersk tanker, the 1Jakob Maerskl, delivered a cargo of about 50,000 tons in South Africa in August 1980.

During the period 1979-1982 two Canadian companies were involved in 11 deliveries of crude oil from other countries to South Africa:

name of ship	cargo (tons 01 crude 011)	month the ship called at South Africa
Cast Fulmar	161.805	May/June 1981
Cast Narwhal	268.728	Aug/Sept 1981
Cast Narwhal	268.728	Feb/March 1982
Cast Narwhal	268.728	June/July 1982
Cast Petrel	145.052	Nov. 1980
Cast Pule	145.015	Oct. 1980
Cast Puffin	145.015	Nov. 1981
Cast Skua	104.749	Nov. 1980
Lake Mendocino	145.092	June 1981

The shipowner of these tankers was the company lCast, Eurocanadian Shipholdings/ lntercastl based in Canada-Bermuda and Switzerland. This company is now in liquidation.

The other Canadian company involved was thelCanadian Pacific Group, with subsidiaries in Bermuda and the United Kingdom:

1.D. Sinclair	254.735	May 1981
Port Hawkesbury	257.028	March 1981

TGuardiantL’K). 14 Sepiemberl98515hipping Research Bureau. main reports on 1980-1981 and 1981-19821

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AUSTRALIA

Ban on petroleum products

The Australian government decided on 19 August 1985 to close its trade commission office in South Africa at the end of September. Although Australia will maintain trade with South Africa, export of some Australian goods will be banned. Among those are petrol and petroleum products or any other products of potential use to the south African security forces.

More than a year before, in July 1984, the Australian government had confirmed that Australia had exported refined petroleum products to South Africa. Then, the Australian government stated trade restrictions would be 1difficu1tl because sanctions against south Africa would require a decision by the United Nations Security Council.

IGuardian (UK), 20 August 19851
BRAZIL
Row with South Africa on sanctions
Responding to the imposition of the state of emergency and increasing violence in South Africa the Brazilian President, Mr. Jose Sarney, signed on 9 August 1985 an official decree prohibiting the export of arms, crude oil and petroleum derivatives to South Africa. Imposition of these sanctions against South Africa by the Brazilian government caused a row between the two governments. The South African governmentls reaction describing those sanctions as lcounterproductive and futilel has annoyed the Brazilian government which announced, that additional measures are to be taken.
Financial ’1 imes, 12 August 19851
Newsletter on the Oil Embargo against South Africa, No. 3, February 1986.

USA

Phibro-Salomonh withdrawal

The international investment banking and commodities trading group Phibro-Salomon announced on 21 August 1985 to withdraw from all its business activities in South Africa. The group has closed down its wholly-owned subsidiary Derby Metals and has stopped handling export sales of chrome ore, ferro-chrome, ferro-silieon and magnanese for large South African companies such as Middelburg Steel Alloys, Rand Mines, Black Mountain, Highveld Steel & Vanadium and Transalloys.

The move is the more significant since the groups biggest shareholder Minorco is the international investment arm of the South African Anglo American-De Beers group.

In July 1985 Minorco which is based in Bermuda, reduced its stake in Phibro-Salomon from 22,5 to 14,5 per cent. No public steps were taken by Anglo American to deflect the American groupis anti-South Africa move since it merely has a portfolio holding in the group.

PhibrmSalomonIs decision to cease all dealings with South Africa was promted by loss of business on the domestic American market due to powerful pressure by the US Anti-Apartheid Movement. The groups investment bank, Salomon Brothers, had been cut out of lucrative municipal securities issuing deals by large cities as Los Angeles, San Francisco, Oakland and Seattle. Moveover, investment institutes and shareholders were also divesting themselves of the groups stock.

Explaining his withdrawal the groups chairman, Mr. J ohn Gutfreund stated: 1We think ourselves as apolitical, but financial institutions are particularly vulnerable in this kind ofsituationi

In february 1985 the group already decided to stop deals in petroleum products to South Africa after pressure by the City of New York.

(Financial Times, 22 August and 18 September 1985; Financial Mail, 13 September 19851

NORDIC COUNTRIES

No unilateral oil embargo

At a meeting of the Nordic Foreign Ministers in Oslo on 17-18 October 1985 a new Nordic Programma of Action against South Africa was adopted. Pending mandatory sanction imposed by the UN Security Council, the Nordic countries of Denmark, Finland, Iceland, Norway and Sweden decided to take a number of unilateral measures in order to reduce their economnie and other relations with South Africa. However, on the issue of the oil embargo no national measures were decided upon.

The Nordic countries agreed to work actively within the framework ofthe United Nations for the adoption of mandatory sanctions in the field of investment, trade and transport. An effective oil embargo would be an important element of such a policy.

The Nordic countries agreed they will undertake consultations with other shipping nations with a view to reaching agreement on a joint boycott of oil transports to South Africa.

(United Nations. Press Release GA/APt 1680. 21 October 198,91

DENMARK

Proposed bill before April 1986

On 2 October 1985 a majority of Danish Parliament ordered its government to implement stricter measures in order to tighten economic sanctions against South Africa. In a proposed bill Danish Parliament urged as one of the main measures to be taken: The sale ofoil

from Danish oil fields to South Africa as well as
transport thereto ofoil 0n Danish-owned vessels shall
stop.'

This was followed on 13 December 1985 by a decision of Parliament instructing the Danish government to table before 1 Februaay 1986 a proposed bill prohibiting coal imports from South Africa. That proposal has been tabled already by the Danish Minister of Foreign Affairs.

In addition Parliament has directed its goverment to put forward before 1 April 1986 a proposal for an act prohibiting all imports from and exports to South Africa. Transport and sale of oil to South Africa will be included in this proposed bill. Parliament members have stated they are confident this proposal is going to be tabled by the Danish goverment as was aksed for.

Newsletter on the Oil Embargo against South Africa, No. 3, February 1986.

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NORWAY

Registration: not compulsory, not public

Contravening a Parliaments majority decision ofJune 1985, the Norwegian Centre-right government announced on 31 January I986 its guidelines for registration of Norwegian ships calling at South Africa: the system decided upon will provide only figures on a voluntary basis and identities ofvessels and companies will not be made public.

The new guidelines which have a start date of I January 1986, will mean quarterly returns on the number of Norwegian vessels and aggregate deadweight tonnage of ships calling at South African ports. The figures will be provided by the shipowners on a voluntary basis and will be published by the Norwegian Shipownersl Association.

Details of individual vessels and of companies involved will not be made public. All Norwegian-owned an registered oil tankers are subject to the registration system.

As a result the position of the Shipowhers was a confident one since they have shown strong opposition to public registration and have organized _ succesfully _ an influential lobby in Norwegian politics in recent months. In a comment on the new guidelines, Mr. Arild Wegener of the Shipownersi Association said: IWe expect our members will complyfully with the arrangements. 1fthe figures appear to be less than expected, the government has reserved the right to return with more nieasures’.

According to the Norwegian Minister of Trade and Shipping, Mr. Asbjorn Haugstvedt, this measure was the hardest one that could be taken without violating international trade accords. This view was strongly opposed by the Labour Party referring to an investigation by experts in international law. According to these experts a system of public registration was not in conflict at all with existing international trade agreements. The government wanting to see a lessening of Norwegian involvement in oil supplies to SouthtAfrica, expects volume figures to decline and movements of vessels to decrease in time.

Strong criticism and organized oppostition is expected to be raised in Norwegian Parliament, by churchal groups, trade unions and anti-apartheid organisations. In June 1985 Parliament in a majority vote had asked for specific measures of a compulsory registration of all Norwegian ships and had urged the governement to present a publie list containing dates and ports of call in South Africa, types of cargo, names of individual ships and companies involved. This position was broadly shared by the Norwegian Federation ofTrade Unions (LO), church organisations and the anti-apartheid movement.

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NORWAY

Church of Norway:

iGovernment and Shipowners are alarmingly narrow-mindedi

Church of Norway Presiding Bishop Andreas Aarflot of Oslo, provoked strong reactions from the government and from shipowners during the first days of 1986. Speaking at the New Year pastorsl gathering of his dioces, Aarrot, who is also a member of the Lutheran World Federationis Executive Committee, said it was ’alarmingly narro w-mindedthat Norwegian authorities and shipowners are unwilling to implement a total oil and trade boycott against South Africa. The bishop said it was ’a shame that Norwegians are not being 017ered the chance and the challenge to carry the

costsi of a total Norwegian boycott of tthe ruthless apartheid regime. I
I
The Norwegian Shipowners Association (NSA) warned that Aarflot was entering a tcostly blind alley? In a letter to the bishop, NSA Director-General David Vikoeren said Norwegian authorities will have to cover widespread annual losses of between 2 and 3 billion crowns (US $150 to 225 million) should the countryis shipowners be barred from accepting oil transports to South Africa. Vikoeren also wrote that international oil trade is too complex to fit into the bishops wishes. He told the bishop that an oil freight might change owner, and thus destination, several times while at sea. The bishopis comments were welcomed by the labor opposition, claiming that the government is unwilling to go far enough in this matter. But Aarflot also had the support of a majority of his episcopal colleagues and other church leaders. Others, among them two of the bishops and several newspaper commentators, said the bishop had entered too far into prescribing detailed political matters.
Aarrot answered his critics by saying he regretted that economic deliberations seem to matter more to the government and the shipowners than the conditions for the black people of South Africa. I! admit that the government’s proposal is an honest attempt,’ the Norwegian bishop said, ibut they are committing the mistake of not asking what the black people themselves want us to do. Blacks are asking for boycott and sanctions, perhaps our last chance to avoid armed struggle in South Africa.’
ILutheran World Information (LWI), Monthly, February I986)
Newsletter on the Oil Embargo against South Africa, No. 3, F ebruary 1986.

NORWAY
50 ships published
On 16 July 1985 the Norwegian newspapertDagbladef
published a list of 50 Norwegian ships which called at
South African ports in the period January l985-midst
of May 1985. These 50 ships were resonsible for 71 calls
at the ports of Durban, Richards Bay and Cape Town.
One ship was figurating under the code name tM-56t
calling at Durban on 27 March 1985. Ofall other ships
names, ownership, type of ship and date of call were
presented.
Of the total of 50 ships were 14 vessels which could
have delivered oil in South Africa:
Bergesen d.y. Group, Stavanger (owner)
tanker’s name type of ship port date of call
in South Africa in South Africa
Bergebonde oil/ore Cape Town 1 February 1985
Durban 29 April
Berge Bragd oil Cape Town 24 March
Berge King oil Cape Town 4 February
Cape Town 25 February
Berge Odel oil/ore Richards Bay 11 April
Cape Town 22 January
Berge Pioneer oil Cape Town 25 January
Durban 11 May
Berge Prince oil Durban 3 January
Durban ll February
Berge Princess oil Cape Town 14 January
A/S Thor Dahl. Sandefjord
Thorsholm oil Durban 4 March
Halfdan Ditlev-Simonsen. Oslo
Velma oil Cape Town 27 January
Leif Hoegh & Co. A/S, Oslo
Haegh Hood oil/ore Cape Town 20 March
Cape Town 29 May
A/S Havtor Management, Oslo
Havprins oil/ore Cape Town 16 February
Havlyn gas/oil Cape Town 3 March
BJ. Ruud Pedersen A/S. Oslo
Essi Flora oil Durban 28 March
Cape Town 1 April
A/S Ugland Rederi, Grimstad
Evita oil Durban 3 April
1Dagbladet (Norway). 16 July 19851

NORWAY
Report on the role of Bergesen
In August 1985 the Shipping Research Bureau (SRB)
published a special survey on the role of the Norwegian
shipping company Sig. Bergesen d.y. & Co.. Regar-
ding the period January l979-January 1985 the SRB
identified 21 tanker shipments to South Africa made
by Bergesen.
Tankers owned and managed by Sig. Bergesen d.y. &
C0., listed in order ofmomh of call at South Africa
apparently to discharge crude oil there:
Name Tanker size Month lhe tanker
(in metric) called at South
tons) Africa
Bergehus 205,807 January 1979
Berge Seplimus 284,512 June 1979
Berge Brioni 227,557 July 1979
Berge Seplimus 284,512 April 1980
Berge Septimus 284,512 September 1980
Berge King 284,919 January 1982
Berge King 284,919 June 1982
Berge King 284,919 September 1982
Berge Queen 280,476 September 1982
Berge King 284,919 October 1982
Berge Queen 280,476 November 1982
Berge King 284,919 December 1982

Berge Queen 280,4 76 January 1983
Bergebonde 155,048 Januarjl’ 1983
Berge Prince 284,522 January 1983
Berge King 284,919 April/ May 1983
Berge Prince 284,522 May 1983
Berge King 284,919 June/July 1983
Berge Princess 284,507 April/ May 1984
Berge Bragd 280,4 76 November 1984
Berge Prince 284,522 December 84/
January 1985
Newsletter on the Oil Embargo against South Africa, No. 3, F ebruary 1986.
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A total volume of over 5.2 million tons of crude oil worth over US $ 1,000 million has been transported by this company. In co-operation with oil traders owning the cargoes and with South African authorities the company Bergesen tried to hide these deliveries. Confidential charter parties have been concluded to conceal the traders identity.

In several cases the cargo was loaded off port in the Arabian/Persian Gulf by ship-to-ship transfer from other tankers. In 17 cases the crude oil did originate in the Gulf area. Three Shell-owned cargoes were loaded in the Netherlands Antilles and one in pre-independent Brunei. On departure from the Gulf in most cases no destination or a false destination was given. Since 1982 the calls at South African ports have been kept strictly secret.

(For more details on Bergesen tankers and on origin of the oil. see SRB-survcy: Oil Shipments to South Africa by tankers owned and managed by Sig Bergesen diy. & Co. of Norway (l979-l985). Amsterdam. July I981)

NORWAY

Bergesen continues oil transports to South Africa

In a comment on this Bergesen survey, a companyis director Mr. Kjell Rovik stated: ’lt is clear that oil transport to South Africa is important. Often there are no other cargoes we can take. We have ships laid up and we need employmemfor our crewsi Mr. Rovik confirmed that transports to South Africa by Bergesen tankers were still going on: Up to August we have transported oil to South Africafour times during 1985. We will continue to do so. This is not an illegal activity 1

In December 1985 one ofBergesen captains, Mr. Bernt Hauglund, master of the Berge Princess, said he would continue transporting oil to South Africa twith good conscience. He said he himself had sailed with oil directly from Arab countries to South Africa and admitted the use of illicit practices: tlt is true that the documents show we have sailed to a totally different place. Thisfact cannot be hidden. For the rest there is reason to point out that also Arabs themselves are transporting oil to South Af’rica.’

Now his ship, the Berge Princess, has been sold and flagged out to Liberia.

According to a Norwegian seaman who had sailed on the Berge Pioneer, Mr. Magne Sporaland, the name of the Berge Queen was changed in November 1983 into the Berge Bragd because it was discovered this tanker had been in South Africa with oil. A new identity made possible it continued transporting oil to South Africa.

Mr. Sporaland said an Arab oil-exporting country had found out the Berge Queen had been four times in South Africa and the tanker was threatened to loose further cargoes unless it changed its name.

(By Tid (Norway), l0 August I985; Aftenposten. 13 August I985; Verdcns Gang. 14 September I985; Virtland, 20 December i985)

NORWAY

Illicit procedures

Calls by Norwegian tankers at the port of Durban during 1985 have increased by fifty per cent during the first quarter of 1985 compared with the same period of 1984. Norwegian tankers delivering oil in Durban are practicing special procedures such as the use of code names to hide their identities.

This statement was made by the Norwegian seamenis priest who has been based in Durban, Mr. Knut Harald Seth, in a Norwegian television interview in July I985. Illicit practices ofdischarging oil under code names, painting over ship’s names and of company signs have been confirmed by seamen and a shipping inspector in Norway. One ofthose seamen who wished to stay anonymous, stated he had been in 1982 aboard a Norwegian tanker of which home port and funnel signs were painted over before the ship entered Port Elisabeth in South Africa. According to this seaman documents had been forged to conceal this call, and the shipis captain was offered 5000 Norwegian Crowns (US $ about 600) to keep silent. He also stated he had seen other Norwegian tankers of which names and signs were removed while the ships entered without the Norwegian flag.

On the alleged increase of deliveries by Norwegian tankers the Norwegian Ministry of Trade and Shipping said it had knowledge of at least 5 oil deliveries during the first quarter of 1985. The Ministry stressed that painting over of names and removal of the Norwegian flag was an offence according to Norwegian law. One case was reported to the Ministry on illicit practices, but the Ministry refused to mention which ship and which company was involved.

The shipping company Bergesen stated in its comment that the number of Bergesen tankers delivering oil in South Africa during the period in question was 'more than one but less than five. 'The Norwegian Association ofShipowners has denied allegations of such illicit procedures undertaken by Norwegian tankers, by presenting the example of the tBerge Pioneer; which had called openly at South African ports.

(Aitenposten, 9 July 1985; Verdens Gang 10 July I985; Norges Handeis 0g Sjafarlstidende ll July 19851 '

Newsletter on the Oil Embargo against South Africa, No. 3,-February 1986.

Norwegian shipowners:
1Arab oil embargo is window dressing1
One of the directors of the Norwegian Association of Shipowners, Mr. Erik Aamot, stated the oil embargo policy of Gulf states such as Oman and the United Arab Emirates was only ’window dressingi
Restrictive measures by those countries are rather minimal, he said, because ships could bring oil to South Africa and return to the Arabian Gulf without any difficulties.
The state-secretary of Norwayls Ministry of Foreign Affairs, Mr. Torbjarn mesnes has stated in a comment that ’95 per cent ofthe crude oilsuppliedlo South Africa d0 originate in Arab countries in the Gulfarea. ’
Mr. Aamot confirmed, however, one case in which a Norwegian tanker had called South Africa hiding its identity. This had been one ofthe tankers owned by the shipping company Odd Godager & Co in 1980.
Shipping Research Bureau findings show this may refer either to the tanker tNorse King or the Norse QueenT.
According to a Norwegian seaman, Mr. Magne Sporaland, the Norwegian tanker lEvital owned by the company Ugland did also use a hidden identity. He suspected the company was operating with two logbooks, an official and an unofficial one. because reporting a South African call in official documents would mean the tanker would not be able to get a new cargo in the Gulf.
TAftcnposten 9 July 1985; Verdens Gang (Norway). 10 July 19851

NORWAY
ban on Norwegian oil to South Africa
On 16 December 1985 the Norwegian Minister ofTrade and Shipping announced the governement will present legislation prohibiting the sale of Norwegian oil from the North Sea to South Africa. A proposal for such a law is worked out by the Ministry of Justice.
Norwegian anti-apartheid organisations have urged the governement to include clauses in the proposed law with the effect that oil companies with subsidiaries in South Africa, i.e. Shell, BP, Total, Caltex and Mobil, are excluded from new concessions for oil exploration and production in the Norwegian part of the North Sea.
The captain ofthe Norwegian tankerlBerge Princessl, Mr. Bernt Haugland, said in an interview with the newspaper iVartlandi of 20 December 1985 he had evidence that Norwegian oil was discharged in South Africa in August 1985.
Since this is contrary to official government policy the Norwegian Council for Southern Africa, a solidarity organisation, has asked the Minister ofOil and Energy to start an official investigation into this matter.
Wartland (Norway), 20 December1985:Al’tenpostenWorway). 17 December 1985)
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Group KAIROS (Christians against Apartheid). The Bureau conducts research and publishes reports on the wax;
in which South Africa tries to obtain its crude oil imports to counter the embargo impose

d by nearlx ali 011-
exporting countries.

The Shipping Research Bureau welcomes all relevant inlormation concerning oil supplies or suspected oil delixerics to South Africa. For information please contact the Shipping Research Bureau. PO. Box 118 98. l001 CW Amsterdam, the Netherlands. Phone (020) 266073/251300 . Telex 17125 comsa nl.

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