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# Newsletter on the 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 6266073/6251300; Telex 10236 sanam nl; Telefax + 20 6220130

## *UNITED NATIONS GENERAL ASSEMBLY ADOPTS OIL EMBARGO*

### *USA only country to vote against the resolution*

### *UK abstains for the first time*

**The United Nations' resolution on the oil embargo against South Africa was adopted by the General Assembly on December 18, 1992. In total 111 countries voted in favour of the resolution, 44 countries abstained. The *USA* was the only country to vote against it. At last year's vote the United Kingdom joined the USA in its no-vote. This year the UK abstained for the first time. In previous years the UK has always voted against the resolution. All the EC Member States abstained, Ireland and Denmark for the first time. Compared to last year's vote the number of abstentions was considerably higher. Among the abstentions are several 'new' States, like for instance Slovenia and Croatia.**

**In 1991 in total 127 countries adopted the resolution. Three countries, the USA, the UK and South Africa's neighbour Swaziland voted against. There were 28 abstentions in 1991 (see Newsletter No. 26 p.5).**

*continued on next page*

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## PRESS VISITS STORAGE 'SECRET' OIL RESERVES SALDANHA BAY

### *Official figures stockpile made public for the first time*

**New figures and possibly facts have been published on the stockpile and storage of South Africa's strategic oil supply. This is the first time that the actual size of one of South Africa's storage facilities has been made public. Journalists of the South African daily the *Cape Times* obtained permission to visit the storage facility in the Cape Province near Saldanha Bay. According to their report they saw six storage tanks. They were told that the tanks could store up to 45 million barrels of oil. At the time of the visit, at the end of October 1992, it was said that one tank was empty and that the other five were full to varying degrees. In the mid-eighties all tanks had been full, the journalists were told.**

The secret depot as has become known now was officially called the West Coast Strategic Fuel Fund facility. The installation is close to the Saldanha Bay Naval Training Base and Langebaanweg Air Force Base. It was first used in 1980. The square tanks have sides 240 metres long and sloping sides of 31 metres deep. Through an underground pipeline the depot is linked to a loading terminal jetty in Saldanha Bay. The facility was built between 1976 and 1982 at a cost of R102 billion. The costs of the jetty were an additional R10 million. It can accommodate ships of up to 380 metres with a draught of 21 metres.

*Continued on page 4*

***Dear Reader,***

***With regard to the political developments in South Africa the Coal Monitor will for the time being no longer appear in our quarterly Newsletter. For information and queries concerning the South African coal exports markets you can continue to contact the Shipping Research Bureau.***

## *In this issue:*

### IGG: Oil embargo must remain in force

In its report the Intergovernmental Group to Monitor the Supply and Shipping of Oil and Petroleum Products to South Africa (IGG) called upon the United Nations' Member States to maintain and enforce existing measures prohibiting the supply and shipping of oil and petroleum products to South Africa. The seventh report of the IGG was adopted by the Group on November 5, 1992. It was endorsed by the General Assembly on 18 December 1992. It will be issued as a document of the General Assembly and the Security Council.

The Intergovernmental Group concluded that the oil embargo must remain in force until an interim government representing the majority of the population of South Africa has been established. Such a Government should request for the lifting of the embargo. Lifting the embargo before this event would be counterproductive and harm the negotiating process.
All states are furthermore urged by the Group to continue to observe the oil embargo, including avoiding co-operation with South Africa in matters relating to oil and energy, until there is a profound and irreversible change in South Africa. Special reference is made to the contacts between South Africa and some African states which aim at establishing co-operation in the oil trade. Over the past few years it has regularly been reported that countries like Angola and Nigeria were negotiating oil deals with South Africa. Officially no deals were concluded.
The IGG does not consider the question of the oil embargo from a rigid point of view. It stands ready to consider the lifting of the oil embargo once the necessary conditions are established. This situation could occur when there is satisfactory progress on the transitional arrangements and the liberation movements of South Africa feel that the lifting of the oil embargo would be conductive to peaceful progress towards ending apartheid.

The Group was established by the General Assembly in 1986, which has endorsed it since. Algeria, Cuba, Indonesia, Kuwait, New Zealand, Nicaragua, Nigeria, Norway, Ukraine and Tanzania are members of the Group. It is chaired and co-chaired by Mr. Anthony Nyakyi (Tanzania) and Ms. Nabeela Al-Mulla (Kuwait) respectively.

[Report of the Intergovernmental Group to Monitor the Supply and Shipping of Oil and Petroleum Products to South Africa A/47/s/ 5 November 1992]

### General Assembly debates on oil embargo

### Zambia: 'IGG makes disturbing revelations'

At earlier debates in the General Assembly on the oil embargo in November 1992, Mr. Anthony Nyakyi of Tanzania, the chairman of the IGG, said that the Group had judged that the time for the lifting of the embargo had not yet come. The Group would therefore continue to rely on the co-operation of Member States. A number of oil-shipping states, he said, had not replied to the Group's communications, undermining the effectiveness of the embargo. Some States paid lip-service to the embargo but failed to monitor aggresively and to condemn transgressions by shipping interests under their jurisdiction. The representative of Zambia to the United Nations Mr. O.S. Musuka said at the debate that the report of the Intergovernmental Group had made disturbing revelations concerning repeated violations of the oil embargo. His Government was alarmed by their high number and appealed to those involved to end the illicit activities. In total the IGG published 78 cases of possible oil deliveries to South Africa. It was not the time to lift the embargo, as some were advocating. A premature lifting of the oil embargo against South Africa would be counterproductive and would undermine the negotiating process, he said. Mr. Musuka added that the oil embargo should only be lifted when an interim government representing the majority of the population of South Africa had been established and when such a Government requested that it be lifted.

### Consultation UN, NGO's and AA groups 'Oil embargo should be strictly adhered to'

Apartheid in South Africa is not 'dead' and public opinion must be kept informed on this matter. To achieve this goal it is, inter alia, necessary to campaign for the strict adherence to the oil embargo. European anti-apartheid movements, non-governmental organisations and the United Nations Special Committee against Apartheid came to these conclusions at a two-day meeting in Geneva, on November 30 and December 1, 1992. They also found that Governments should be put under pressure to provide adequate resources for the UN Centre and Special Committee against Apartheid, as well as international NGO's, enabling them to continue the monitoring of all sanctions. In his opening address, chairman Mr. Ibrahim Gambari (Nigeria) of the UN Special Committee, stressed that the lifting of the oil ban is 'still considered premature and counterproductive.' The meeting was attended by some forty people representing twenty organisations from mainly Europe.

### Mandela: Oil embargo till democratic constitution

'Once an interim government is in place there will be no question of sanctions. All that will remain then will be the arms and the oil embargoes. These can be lifted as soon as a democratic constitution is accepted.' Nelson Mandela told the South African weekly The Star in an interview in September 1992. To this he added that 'but even on that there can be compromise'. Obviously, this compromise can only be expected when the negotiations have reached a more advanced stage than they have at present. In the interview he furthermore said that: 'an interim government is going to represent us all (...). We will be in government, the ANC will be fully represented like all the other political parties. There will be no question of mass action. There will be no question of isolating South Africa. South Africa will go back to the United Nations. We will be saying this.'

[The Star (SA) 10-16 September 1992]

## United Nations oil embargo resolutions 1979-1992

Not indicated are those States which by their absence in some cases accounted for small variations in the numbers of recorded votes.

| date of adoption | in favour | against | abstained |
|---|---|---|---|
| 1979 (24 January) | 105 | 6 | 16 |

*against:* Belgium, France, FRG, Luxembourg, UK, USA.
*abst.:* Australia, Austria, Bolivia, Botswana, Canada, El Salvador, Greece, Guatamala, Italy, Japan, Lesotho, New Zealand, Nicaragua, Portugal, Spain, Swaziland.

| date of adoption | in favour | against | abstained |
|---|---|---|---|
| 1979 (12 December) | 124 | 7 | 13 |

*against:* Belgium, Canada, France, FRG, Luxembourg, UK, USA.
*abst.:* Australia, Austria, Botswana, Greece, Guatemala, Italy, Japan, Lesotho, Malawi, New Zealand, Portugal, Spain, Swaziland.

| date of adoption | in favour | against | abstained |
|---|---|---|---|
| 1980 (16 December) | 123 | 7 | 13 |

*against:* Belgium, Canada, France, FRG, Luxembourg, UK, USA.
*abst.:* Australia, Austria, Botswana, Greece, Italy, Japan, Lesotho, Malawi, New Zealand, Portugal, Spain, Swaziland, Zimbabwe.

| date of adoption | in favour | against | abstained |
|---|---|---|---|
| 1981 (17 December) | 126 | 7 | 12 |

*against:* Belgium, Canada, France, FRG, Luxembourg, UK, USA.
*abst.:* Australia, Austria, Botswana, Chile, Greece, Guatamala, Italy, Japan, Lesotho, New Zealand, Portugal, Swaziland.

| date of adoption | in favour | against | abstained |
|---|---|---|---|
| 1982 (9 December) | 125 | 6 | 13 |

*against:* Belgium, France, FRG, Luxembourg, UK, USA.
*abst.:* Australia, Austria, Botswana, Canada, Greece, Italy, Ivory Coast, Japan, Lesotho, New Zealand, Portugal, Swaziland.

| date of adoption | in favour | against | abstained |
|---|---|---|---|
| 1983 (5 December) | 130 | 6 | 14 |

*against:* Belgium, France, FRG.
*abst.:* Australia, Austria, Botswana, Canada, Greece, Italy, Ivory Coast, Japan, Lesotho, Malawi, New Zealand, Norway, Portugal, Swaziland.

In 1984 and 1985 no separate oil embargo resolutions were adopted by the General Assembly.

| date of adoption | in favour | against | abstained |
|---|---|---|---|
| 1986 (10 November) | 136 | 5 | 15 |

*against:* France, FRG, Israel, UK, USA.
*abst.:* Belgium, Botswana, Canada, Greece, Ivory Coast, Italy, Japan, Lesotho, Luxembourg, Liberia, Malawi, The Netherlands, Portugal, Swaziland.

| date of adoption | in favour | against | abstained |
|---|---|---|---|
| 1987 (20 November) | 138 | 4 | 12 |

*against:* France, FRG, UK, USA.
*abst.:* Belgium, Canada, Greece, Israel, Ivory Coast, Japan, Lesotho, Luxembourg, Malawi, The Netherlands, Portugal, Swaziland.

| date of adoption | in favour | against | abstained |
|---|---|---|---|
| 1988 (5 December) | 138 | 2 | 14 |

*against:* UK, USA.
*abst.:* Belgium, Botswana, Canada, France, FRG, Greece, Israel, Japan, Lesotho, Luxembourg, Malawi, The Netherlands, Portugal, Swaziland.

| date of adoption | in favour | against | abstained |
|---|---|---|---|
| 1989 (22 November) | 139 | 2 | 14 |

*against:* UK, USA.
*abst.:* Belgium, Botswana, Canada, France, FRG, Greece, Israel, Japan, Lesotho, Luxembourg, Malawi, The Netherlands, Portugal, Swaziland.

| date of adoption | in favour | against | abstained |
|---|---|---|---|
| 1990 (19 December) | 125 | 2 | 19 |

*against:* UK, USA.
*abst.:* Belgium, Botswana, Bulgaria, Canada, France, Germany, Greece, Hungary, Israel, Japan, Lesotho, Liechtenstein, Luxembourg, Malawi, The Netherlands, Poland, Portugal, Romania, Swaziland.

| date of adoption | in favour | against | abstained |
|---|---|---|---|
| 1991 (13 December) | 127 | 3 | 28 |

*against:* UK, USA, Swaziland.
*abst.:* Albania, Australia, Austria, Belgium, Botswana, Bulgaria, Canada, Czechoslovakia, Finland, France, Germany, Greece, Hungary, Iceland, Israel, Italy, Japan, Latvia, Lesotho, Liechtenstein, Lithuania, Luxembourg, Malawi, The Netherlands, Poland, Portugal, Romania, Spain.

| date of adoption | in favour | against | abstained |
|---|---|---|---|
| 1992 (18 December) | 111 | 1 | 44 |

*against:* USA
*abst.:* Albania, Australia, Austria, Belgium, Botswana, Bulgaria, Canada, Croatia, Czechoslovakia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Kazakhstan, Latvia, Lesotho, Liechtenstein, Lithuania, Luxembourg, Malawi, Malta, Marshall Islands, Micronesia, The Netherlands, Poland, Portugal, Moldova, Romania, Russian Federation, Samoa, Singapore, Slovenia, Spain, Swaziland, Turkey, United Kingdom.

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Exclusive

AERIAL VIEW . . . The six square covered tanks, all in a line, can be seen clearly in this picture. One side of one square is 240m long. Beside the tanks are two excavations, made for extra tanks of the same size. The oil tanker terminal is on the arm extending into the bay in the background.

SPACE FOR THIS . . . Oil sto… danha are so deep that a buil… could be submerged in one of… protruding. And an entire rugb… lands (below), could fit into o… each of which can hold…

# …IL SECRETS

DENNEHY

…week — exclusively …n a previously top … South African oil

…of the largest of its …, 11-storey …

depots in South Africa.

Oil is also believed to be stored in disused mines in the Transvaal.

The exposure of the stockpile comes only weeks after the price of petrol was increased by 7c a litre with the prediction that there will be a further rise early next year.

Called the West Coast Strate… Fuel Fund facility, the installation, … Naval Training Base …

against South Africa.

The square tanks have sides 240m long, and are each 31m deep — each large enough to accommodate Newlands rugby stadium.

They are linked to a jetty at Saldanha Bay by an underground pipeline.

The Saldanha depot was built at a cost of R102 million between November 1976 and June 1982 and can store a total of 45 million barrels of crude oil, worth an estimated R2,8 billion at today's prices.

…e terminal jetty installation cost a…

R10m. To build the entire facility today would cost R500m.

During a visit to the site by the Cape Times yesterday, it emerged that dozens of "Very Large Crude Carriers" (VLCC's) have secretly discharged their cargoes into these tanks over the last decade.

The Strategic Fuel Fund terminal can accommodate ships 380m long, with draughts of 21m.

Each of the huge tanks is capable of holding five or six shiploads of oil.

Yesterday one of the tanks was empty and the …others, according to the tank farm operat…

…perintendent, M… degrees".

The tanks … during the…

There … the ro… tank…

*Cape Times 23 October 1992*

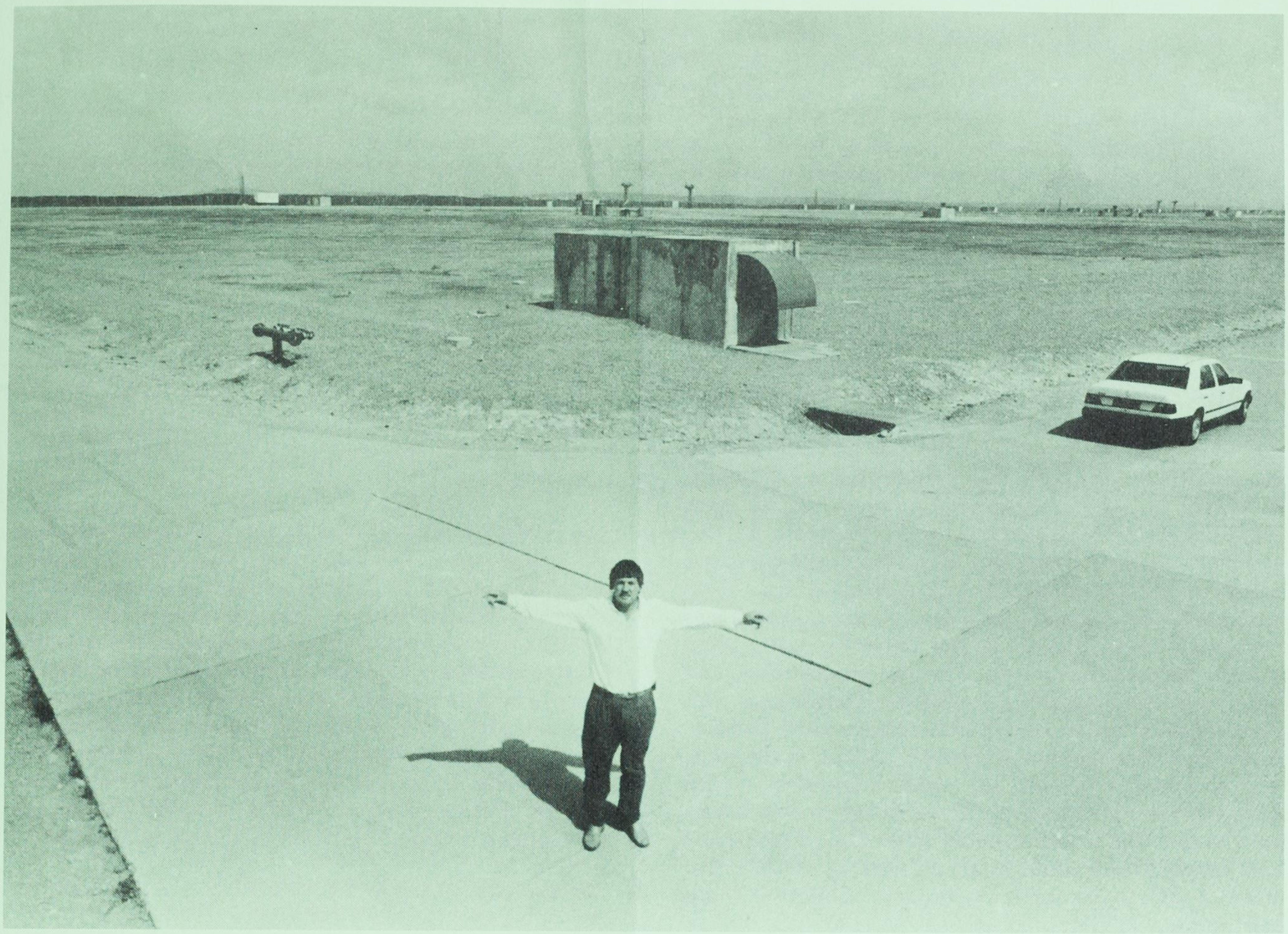
*continued from front page*

In its publications the Shipping Research Bureau has always stated that South Africa's secret oil stockpile was between 50 and 60 million barrels, according to a report by a United Nations energy consultant Dr. Paul Conlon, who based his findings on the known storage capacity in South Africa. In case of a total oil-cut this amount could provide the country with some six months of oil. In this calculation the capacity at Saldanha Bay was estimated at four million barrels. Other facilities are to be found in Transvaal, near Kendal-Ogies and Witbank with an estimated 18 million barrel capacity and near Ferrobank with an estimated 10-12 million barrels of oil. The oil in these facilities is stored in disused coal mines. In the Orange Free State, near Vrede a fourth depot is said to be capable of holding 10-12 million barrels. The oil is stored here in a blasted out underground chamber. An additional 12,5 million barrels of oil is stored in steel tank-farms near towns and refineries.

The newly disclosed figures could mean that the country has enough capacity to store up to some twelve months of domestic oil supply. Official figures on the storage capacity have never been disclosed. Already for some time the country has been selling part of its strategic oil reserves. (see Newsletter Nos. 26 p.18; 28 p.4). Apparently the stockpiled oil in Transvaal is supplying the Natref refinery at Sasolburg with about 25,000 barrels a day. Part of the revenue of the sale of stockpiled oil is destined for social projects, such as low-cost housing, job creation, educational projects, clinics, crèches, schools, roads and police stations.

The spare storage capacity is being marketed to foreign companies, general manager of the Central Energy Fund, Kobus van Zyl, said. He declined to disclose any details on the size of South Africa's reserves. 'The SFF is busy with commercial negotiations for, among others, the lease of tank space. We have no intention of conducting these negotiations through the press', he said. Officially the facts and figures concerned with South Africa's oil stockpile are still a secret. According to the minister of Mineral and Energy Affairs George Bartlett it is not the time to be open on this matter yet: 'because of the UN embargo disclosure of figures on strategic oil reserves at this time will not be in the national interest.'

[Cape Times (SA) 23 October 1992; E.P. Herald (S.A.) 24 October 1992; Sunday Times (SA) 1 November 1992]



*Photograph taken by the Cape Times at its visit of the oil storage facility at Saldanha Bay on 23 October 1992. Mr. Hein Brand, superintendent at the oil storage facility, is standing on top of one of the tanks. The small building behind him contains a fire dispensor, part of the firefighting arrangements on the premises.*

## Protection South Africa's synfuel energy

### *Sasol receives millions of Rands from government*

It is no secret that the South African synthetic energy industry is highly subsidised. In our last Newsletter (No. 28 p.4) we quoted an article by Kevin Davie in the South African the Sunday Times. In this article it was said that through its Equalisation Fund the government will pay R30 million annually to the oil companies for production losses because of Mossgas. Kevin Davie has now stated that South Africa's other synthetic fuel industry Sasol has received millions of Rands. The money came from the Equalisation Fund, a secret fund, controlled by the ministry of Mineral and Energy Affairs. It is funded through a levy of R7c on every litre of petrol sold to the consumer. The company got R456 million between January and September 1992. In 1991 the company received R335,2 million. Between 1985 and 1992 the company obtained R1,29 billion from the Fund. Payments are made to Sasol if the price of a barrel of oil is below US $23. This price is based on the in-bond-landed-cost (IBLC). The IBLC is the selling price South African refiners get for their fuel. If the IBLC is above US $23, Sasol receives nothing. Above US $28 Sasol has to pay back some of the money it received. Reportedly, these pay-backs amounted to R26 million during the war in the Persian Gulf.

Sasol's subsidization is particularly strange as the company is believed to be South Africa's most profitable company, according to the South African Financial Mail's Top Companies. Fortune 500 places the company as the 21st most profitable company in the world.

Also the South African energy company Engen will profit from the Equalisation Fund if it takes up its stake in the fuel-from-gas plant Mossgas. Mossgas will receive the same payments as Sasol (see also p. 6 in this Newsletter).

[Sunday Times (SA) 8 November 1992]

# Engen focuses on West Africa

South Africa's only oil company ENGEN is aiming at a fifty per cent self sufficiency in its petrol sourcing. To achieve this goal the company is active on the oil exploration market. In Africa it is presently holding three exploration permits. The most significant deal is the forty per cent interest for oil and gas exploration off the Namibian coast (see Newsletter No.28 p.5). This deal has been approved of by the ANC (see this Newsletter p. 8). Engen's subsidiary Eagle Oil, together with Chevron (USA), has obtained permission to start exploration activities in Block 2815. In Gabon, Engen has a ten per cent participation in two wells in the offshore Alombie permit. So-far this has resulted in one non-commercial gas discovery. In Congo, the company has a 7,5 interest in Kayes B. which operates four wells. None have resulted in commercial discoveries. According to Engen's managing director Mr. Rob Angel, the company will focus its exploration activities on West Africa: 'West Africa will be a core area for Engen upstream and it was rewarding to be able to enter into new exploration acreage opportunities with Chevron in Namibia and Total and OMV (Austria) in Gabon. Discussions with other partners and countries are well advanced', he said. Engen does not stand alone in its activities on the West African markets. In October a delegation of the South African government made a four-day trip to Gabon and the Congo. 'Both Gabon and Congo are oil producers and South Africa could as in the case of Angola and Nigeria, look to this region as a source of oil', the South African daily *the Citizen* stated.

### Energy exploration activities outside Africa

Engen also holds rights in the Alba gasfield in the North Sea. At the end of 1993 production will start in this field which has an estimated production of 350 million barrels. Engen holds a 2,2 per cent share and it manages the 7,5 per cent share of its parent company Gencor. Engen's share only could amount to 7,6 million barrels. Apparently, the company is also negotiating oil production rights in the Middle East. The company is planning to open an office in Dubai.

### Engen's search for oil in South Africa

Engen's exploration rights within South Africa are facing a different future. The company still holds exploration rights in the Bredasdorp Basin, off the southwest coast. Managing director Rob Angel, however, believes that most of the oil has already been discovered in that area.

### Engen's share in Mossgas under discussion

**'no government protection for private companies'**

Towards the end of 1993 the company will have to decide if it will hold its thirty per cent share in Mossgas fuel-from-gas project. Of overriding importance is the project's commercial viability and if it can survive without government tariff protection. 'Engen has always said it would require a real return of the order of 8 % to follow its rights. Our achieving this on the back of substantial tariff protection may make it unacceptable for Engen', the company's managing director Mr. Angel said. In an editorial the South African *Business Day* questioned if private companies should benefit from projects like Mossgas which need government protection to survive. 'If an enterprise such as Mossgas can operate profitably only with tariff protection or subsidies then the state, and not the private sector, should be the beneficiary. (...) While the project is dependent on a rigged market for survival, the state and not any public company should benefit. (...) Only if Mossgas is ever independently viable and free of subsidies should it become the property of the private sector.' It is still open if Engen will take up its share. Managing director Rob Angel did say that the company would continue to manage Mossgas, believing that this 'would be in the best interests of all shareholders.'

The company is aiming at a distribution network that will supply oil to sub-Saharan Africa and the Indian Ocean islands. In 1991 Engen exported oil products to sixteen African countries. The company's refinery at Durban will be further extended. In November it decided to go ahead with the second phase of the expansion plans. The first phase has extended the plant's capacity by some thirty per cent. The next stage will increase the refinery's yield of high-value products by more than eight percent. It will also give the company a competitive edge in terms of pollution reduction and quality improvements. Refinery reliability will also be improved.

[The Citizen (SA) 31 October 1992; The Star (SA) 16 November 1992; Business Day (SA) 16,17 November 1992]

## Letter to the editor

*In Newsletter No. 27 for the second quarter of 1992 (page 4f) we summarised an article which had previously appeared in the British Weekly Private Eye (8 May 1992). We received a reaction from Mr. Alan Duncan MP, which is printed unabridged below.*

Dear Sirs,

I refer to your second quarter Newsletter in which you repeated allegations which had first appeared in Private Eye that I had sold oil to South Africa in contravention of UN sanctions while I was employed by Marc Rich & Co.

This is untrue.

I have been advised by my sollicitors that your comments constitute a libel against me, but I am interested more in putting the record straight then in pursuing damages against you.

I am therefore grateful for the opportunity to publish this letter in your next edition, and to give notice that any attempt to repreat this libel would be met with appropriate action.

Yours faithfully

Alan Duncan

## *Resolution on the Oil Embargo against South Africa as adopted by the General Assembly of the United Nations on 18 december 1992*

*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,
*Recalling* its resolutions on the oil embargo against South Africa, in particlar resolution 46/79 of 13 December 1991,
*Recognizing* the importance of the oil embargo as a major contribution to the pressure exerted on South Africa towards the eradication of apartheid through negotiations, as well as the importance of maintaining pressure until there is a clear evidence of profound and irreversible changes, bearing in mind the objections of the Declaration on Apartheid and its Destructive Consequences in Southern Africa, such as the adoption of a non-racial and democratic constitution for a free South Africa,
*Noting* that the most effective oil embargo against South Africa remains the adoption by the Security Council of a mandatory embargo,
*Noting* with appreciation the draft model law for the effective enforcement of the oil embargo against South Africa, contained in annex 1 of the report of the Intergovernmental Group to the General Assembly at its forty-fifth session, and welcoming its consideration by Member States,
*Concerned* that the oil embargo against South Africa is still being violated and that South Africa, because of loopholes in the embargo, such as lack of effective legislation, has been able to acquire oil and petroleum products,
*Convinced* that an effective oil embargo against South Africa would contribute to the efforts of the international community to bring about a negotiated settlement and the establishment of a united, non-racial and democratic 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, and endorses its recommendations;
2. *Requests* all States to adopt, if they have not already done so, and otherwise to maintain and enforce effective measures prohibiting 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 of purchasing oil or petroleum products, as appropiate 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 responsibilities 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 South African companies from acquiring holdings in oil companies outside South Africa;
(e) To prohibit all assistance to South Africa in the oil sector, including finance, technology, equipment or personnel;
(f) To prohibit 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 national or by companies within their jurisdiction;
(g) To develop a system for registration of ships, registered in their States or owned by their nationals, that have violated the oil embargo, and to discourage such ships from calling at South African ports;
(h) To impose penal sanctions against companies and individuals that have been involved in violating the oil embargo, and to publisize cases of successful prosecutions in conformity with their national laws;
(i) 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;
(j) To discourage ships within their jurisdiction from engaging in activities that give rise to violation of the oil embargo against South Africa, taking into account legislative and other measures already adopted,
3. *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;
4. *Requests* the Intergovernmental Group to submit to the General Assembly at its forty-eight session a report on the implementation of the present resolution;
5. *Requests* all States to extend their cooperation to the Intergovernmental Group with all necessary assistance for the implementation of the present resolution.

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Against (1): The United States of America
Abstained (44): Albania, Australia, Austria, Belgium, Botswana, Bulgaria, Canada, Croatia, Czechoslovakia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Kazakhstan, Latvia, Lesotho, Libya, Liechtenstein, Lithuania, Luxembourg, Malawi, Malta, Marshall Islands, Micronesia, The Netherlands, Poland, Portugal, Moldava, Romania, Russian Federation, Samoa, Slovenia, Spain, Swaziland, Turkey, United Kingdom.

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## ANC approves SA oil exploration deals in Namibia

A recently signed oil exploration contract between a South African company and Namibia has the approval of the ANC. ANC representative to Namibia, Mr. Baba Schalk, said that the deal signed by a consortium formed by Chevron (USA) and Eagle Energy (Engen/South Africa) and Namibia does not breach any sanctions. 'The ANC does not see an agreement on exploration as a violation of financial sanctions', he said. The ANC representative added that Namibia is a special case when it comes to sanctions. The Namibian economy is very interlinked to the South African economy and could not be expected but to deal with South Africa, he said. However, it can be said that the deal is not in line with the oil embargo resolution as adopted by the United Nations' General Assembly (see this Newsletter p.7).
Besides Engen, also the South African company Sasol obtained a drilling concession in Namibia (see Newsletter No. 28 p.5f). The ANC does not approve of all contacts between South African companies and other African countries. Baba Schalk warned that 'South African companies that are entering into agreements with other institutions outside South Africa will be subject to review when we have a new government.' He explained that the ANC's continuing call for sanctions does not apply to exploratory moves and to establishing contacts for future use, and interpreted the oil exploration deals as falling under this: 'our position is that it is very important for South African companies not to go out and look into possibilities of making any business with any country. A full type of agreement should wait until there is a government of national unity representing all the parties in South Africa.'

[The Namibian (Nam.) 20 October 1992]

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## Italy officially lifts oil ban

Following the decision of the European Community to lift its limited embargo on exports of oil to South Africa, Italy implemented this decision in October 1992. In April 1992 the EC Member States agreed to lift its restricted ban which only covered the export of crude oil. Italy had also prohibited the export of oil products to South Africa.

Because the EC embargo was so limited its lifting does not have much effect on the oil procurement for South Africa. This was admitted by the South African minister for Mineral and Energy Affairs Mr. George Bartlett. After the lifting of the EC ban he said in the South African parliament: 'It (...) does not have any practical effect on the oil boycott still applied in terms of the United Nations embargo against South Africa.'
The United Nations Special Committee against Apartheid and the Intergovernmental Group to Monitor the Supply and Shipping of Oil and Oil Products to South Africa (IGG) condemned the EC decision. At the time they stated that it was premature and counterproductive (see Newsletter No. 27 p.2f). More recently, in November 1992, the chairman of the IGG Mr. Anthony Nyakyi, told the UN General Assembly, that the time of the lifting of the oil embargo had not yet come. The collapse of the Codesa process (the negotiations structure for a new South Africa, SRB) in May, only weeks after the Luxembourg decision by the European Community to lift the ban on oil exports to South Africa, and the recently escalating violence, had cast serious doubts on the judgement of the States which had lifted the oil embargo.

In September 1992 the French Government implemented the lifting of its oil embargo by decree. The French ban, like the Italian one, also included the export of oil products to South Africa.
Besides the twelve EC countries, also Finland, Singapore and the USA have lifted their oil sanctions against South Africa. The General Assembly of the United Nations maintained its oil embargo in December 1992 (see p.1f of this Newsletter). Norway's ban on the export and tranport of crude oil to South Africa is also still in force (see Newsletter No.27 p.4).

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This newsletter is a publication of the Shipping Research Bureau. The Shipping Research Bureau was founded in 1980 by two Dutch non-governmental organisations, the Holland Committee on Southern Africa and the Working Group KAIROS (Christians against Apartheid). The Bureau conducts research and publishes reports on the ways in which South Africa tries to obtain its crude oil imports to encounter the embargo imposed by nearly all oil-exporting countries. Since 1989 the Shipping Research Bureau also monitors coal exports from South Africa in support of existing and future sanctions on South African coal. Material published, unless otherwise stated, does not necessarily represent the findings of the Shipping Research Bureau. In case material is derived from other publications, the main sources are listed. Any material in this newsletter may be freely republished. Please acknowledge source.
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