Energy, bunkering and commodity

Build world-class risk mitigation and boost supply chain excellence

How to reduce compliance risk exposure and expand business opportunities with advanced and predictive maritime data.

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Introduction

The value of accurate data in volatile times

Judgement calls will always be required in the energy, bunkering and commodity markets.
In a time of unprecedented uncertainty, our customers are telling us that having the most up-to-date, accurate data at their fingertips is more important than ever to make informed decisions.

With high-value goods and significant credit on the line, as well as the need for swift action in a competitive market, an element of risk is unavoidable. But mitigation is made easier and stronger by harnessing the power of machine learning and big data analytics.

Lloyd's List Intelligence data gives companies a competitive edge, by providing a comprehensive view of global activity to predict vessel movements, spot emerging trends and anticipate new business opportunities.

Previously unobtainable insights, such as accurate arrival and departure times, future ports of call and ship load status, provide deeper knowledge of individual vessels and industry players. With world-class data, the commodity sector is well placed to reduce risk exposure and increase commercial opportunities.

Rosanna Boyle
Head of Product,
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Lloyd's List Intelligence

Section one

The uphill struggle for energy, bunkering and commodity companies

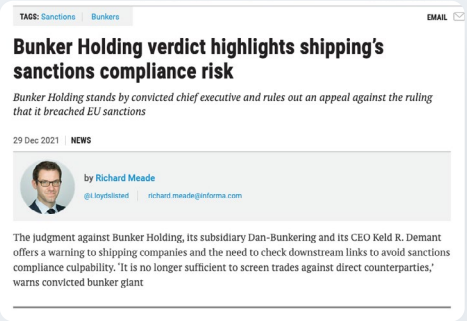
Keeping up with changing sanctions

The need to keep up with fast-paced changes in global sanctions has never been as pressing as it is today. The impact of the Ukraine crisis is being felt across all segments of the shipping industry and many companies were swift to cut ties with Russia and Russian-owned businesses, although vessel ownership is often opaque and ultimate beneficiaries difficult to discern.

Swathes of new sanctions present complex compliance challenges for stakeholders who need to prove they are actively re-evaluating risk chains and the speed of change means the chance of breaches is greater than ever.

In such a dynamic environment, pre- and post-contract vetting and KYC checks need to be rigorous and knowledge of the latest sanctions constantly updated.

Driven by the US Office for Foreign Asset Control, the onus for compliance now spreads across supply chains, with every link responsible and at risk of prosecution. Not only do companies and individuals face large fines for breaches, but also criminal prosecution and reputational damage. The OFAC and other international regulatory bodies are cracking down on enforcement, and greater penalties are being imposed. In December 2020, it took action against six companies and four vessels for violating UN sanctions by engaging in coal trade with North Korea.



TAGS: Sanctions | Bunkers

EMAIL

Bunker Holding verdict highlights shipping's sanctions compliance risk

Bunker Holding stands by convicted chief executive and rules out an appeal against the ruling that it breached EU sanctions

29 Dec 2021 | NEWS

by Richard Meade

@LloydsListed | richard.meade@informa.com

The judgment against Bunker Holding, its subsidiary Dan-Bunkering and its CEO Keld R. Demant offers a warning to shipping companies and the need to check downstream links to avoid sanctions compliance culpability. 'It is no longer sufficient to screen trades against direct counterparties,' warns convicted bunker giant

The Dan-Bunkering ruling

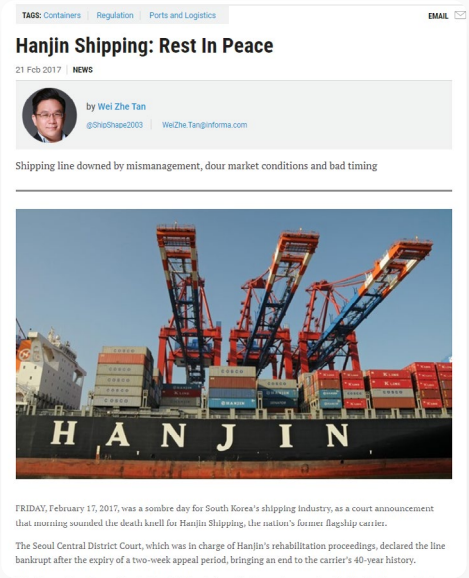
The December 2021 Dan-Bunkering ruling sent a clear signal that due diligence must follow the full supply chain and consider your customers' counterparts. Despite denying all charges and any intent to violate sanctions, Dan-Bunkering and its parent company were fined a combined total of $5.2m for supplying jet fuel later used by Russian jets fighting in Syria, and CEO, Keld Demant, was sentenced to a four-month suspended prison sentence.

To avoid complicity, there is a clear imperative to show thorough vessel screening, evidenced by clear audit trails. Only a high level of insight can provide effective risk mitigation.

Credit and counterparty risk

Market uncertainty is making detailed information about ownership structures and routes more vital than ever as decisions on whether to extend credit are made. Counterparty risks were exacerbated by liquidity issues caused by the Covid pandemic, which left many companies on the edge of financial viability, prompting ramped up vetting measures, KYC checks and corporate governance scrutiny.

Should a charter company or creditor go bust, the knock-on effects can be severe, as was seen in the wake of Hanjin Shipping bankruptcy which profoundly impacted global supply chains and the finances of its creditors. The damaging commercial consequences of customers defaulting or clients failing to deliver has led to greater emphasis on scrutinising corporate governance and compliance procedures prior to lending or agreeing new long-term contracts.



TAGS: Containers | Regulation | Ports and Logistics

EMAIL

Hanjin Shipping: Rest In Peace

21 Feb 2017 | NEWS

by Wei Zhe Tan

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Shipping line downed by mismanagement, dour market conditions and bad timing

FRIDAY, February 17, 2017, was a sombre day for South Korea's shipping industry, as a court announcement that morning sounded the death knell for Hanjin Shipping, the nation's former flagship carrier.

The Seoul Central District Court, which was in charge of Hanjin's rehabilitation proceedings, declared the line bankrupt after the expiry of a two-week appeal period, bringing an end to the carrier's 40-year history.

Hanjin Shipping bankruptcy

Only by accessing the most up-to-date and accurate data for due diligence checks is it possible to have full confidence in the financial stability of companies and shipping operators.

Commercial and supply chain challenges

Swift access to accurate information to understand trade flow patterns is crucial when it comes to identifying and maximising commercial opportunities.

Despite increased supply chain issues and the need for more comprehensive vetting procedures, speed is still of the essence, particularly in the competitive world of bunkering.

Manually gathering information through contacts, brokers and agents can be inaccurate and time-consuming. Based on Lloyd's List Intelligence data analysis covering vessel voyage AIS data for 2020 that did include destination and ETA data:

63% of vessels published one port destination but went to another

77% of vessels didn't arrive within a day of their ETA

Vessels change destination or ETA data on average 5 times during a voyage

The lack of accurate data causes delays and costs to spiral. Not getting goods offloaded efficiently can cost companies up to $100,000 per day in penalties. What companies need is reliable and accurate data that provides key insights to make informed decisions.

Section two

How to build world-class risk mitigation and boost supply chain excellence

Rigorous data and analytics for compliance and credit vetting

Global uncertainty has resulted in more in-depth credit vetting across the industry and evaluations can no longer look solely at past performance but also need to be based on the most up-to-date intelligence.

Recent, accurate data is essential to understand the full picture and assess probable risk. By layering different indicators of compliance risk, such as AIS gaps and multiple flag and name changes, Seasearcher Advanced Risk & Compliance builds the most detailed vessel assessment possible and provides the best insight into prospective counterparties and their vessels.

Our data, data sources and partners are assessed through our COACT quality framework - ensuring we provide the most complete data and analytics:

CONSISTENCY
Our methodologies use strict rules and defined tolerances to manage consistency

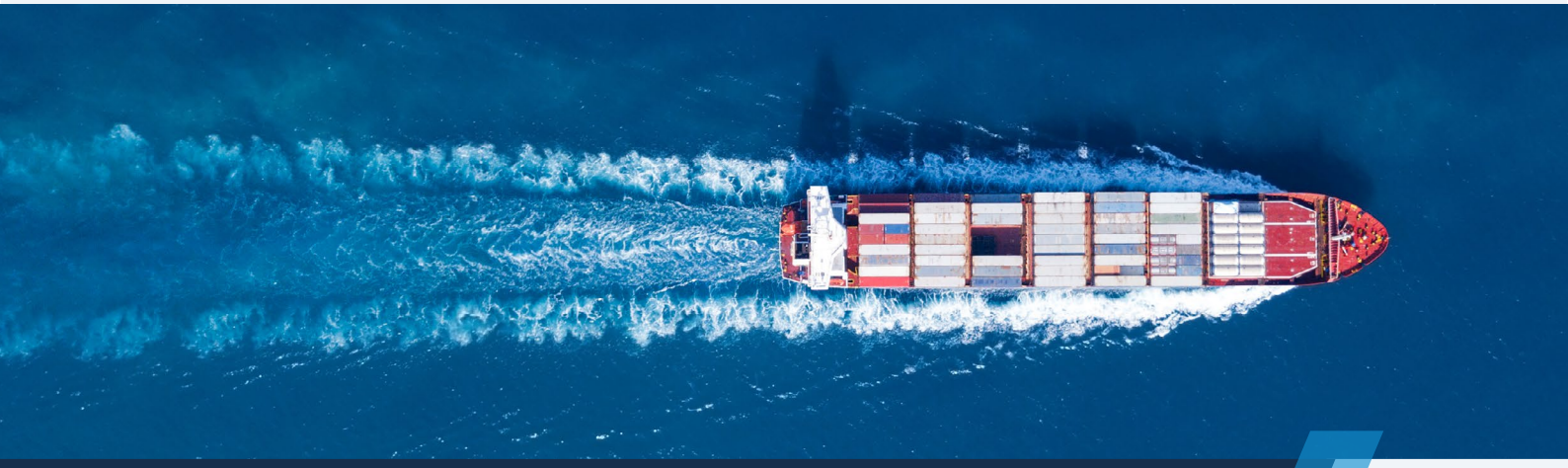
ACCURACY
We constantly monitor and improve our data sets, to remove anomalies, build accuracy, and increase precision

TIMELINESS
Automated data processing and validation ensure data is current and quickly accessible

ORIGIN
Our data is built on the most reliable inputs from our own exclusive sources and trusted partners

COMPLETENESS
Our data coverage embraces all maritime trade activities, fleet and vessel operations, and industry infrastructures

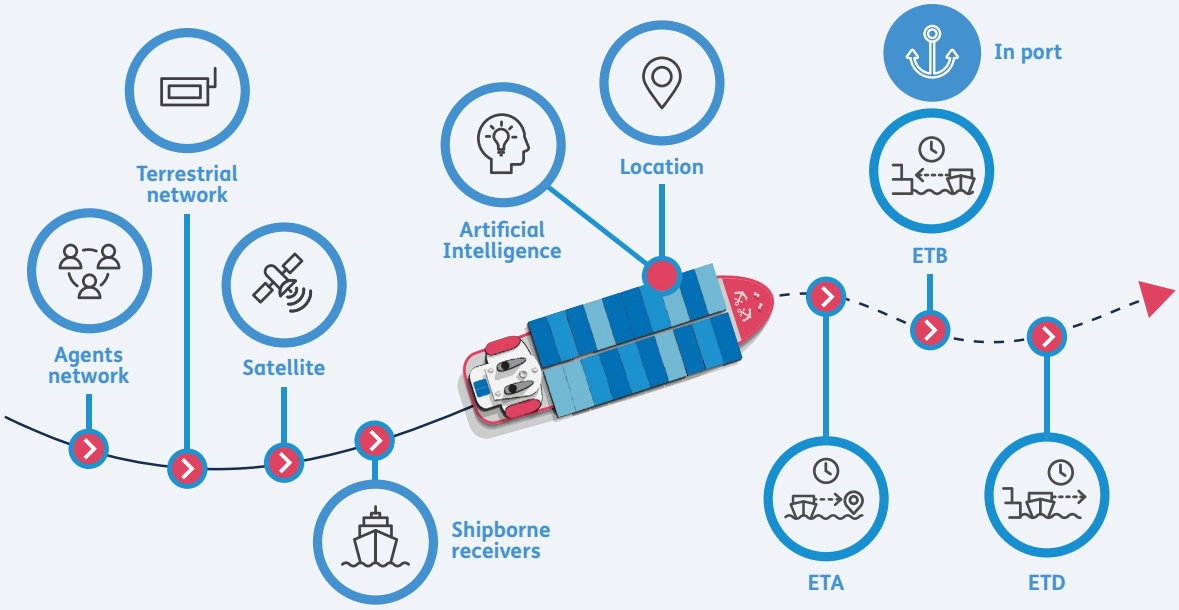
Learn more about our data



An advanced view of global fleets and markets

Predictive Fleet Analytics unlocks a new level of reliable and accurate voyage data, predicting vessel movements, anticipating port congestion and showing trends in trade flows to highlight new commercial opportunities. It enables strategic forward planning to exploit gaps in the market and mitigate any potential risks.

Thanks to details like estimated time to berth (ETB), estimated time of departure (ETD) and vessel load, not included in standard AIS information, there is no need for commercial operations, sales and business development to guess how much time is left to complete a delivery, while schedulers have clear information to allocate sufficient time to carry out work.



Section three

Plotting the right course for future growth

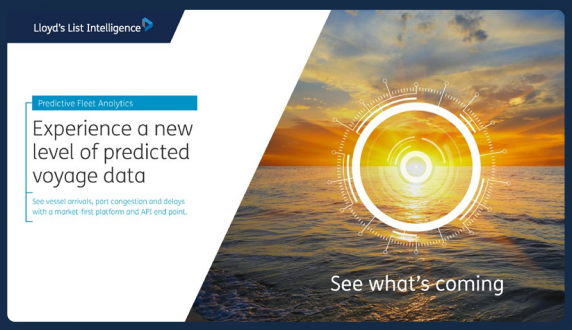
Although the compliance workload for the energy, bunkering and commodities markets is increasing, and sanctions risks are becoming more difficult to navigate, data-driven insight enables the commodity sector to tackle these challenges head on.

To achieve world-class risk mitigation, find new business opportunities and realise supply chain excellence, energy, bunkering and commodity companies are finding the assistance of Lloyd's List Intelligence's advanced data and analytics invaluable.

Fast, reliable information is the key to reducing risk, strengthening compliance and securing the right contracts. Seasearcher Advanced Risk & Compliance provides the most protection against the perils of compliance and credit failures, while Predictive Fleet Analytics gives you a competitive edge to grow your business and seize opportunities with confidence.

Key takeaways

- Analysing wide-ranging data allows for industry insight and strategic forward planning so companies can improve supply chains and optimise growth.
- Comprehensive industry knowledge through access to world-class data provides a competitive edge over competitors.



Predictive Fleet Analytics

- Seasearcher Advanced Risk & Compliance provides unrivalled insight into prospective customers using rigorous data and analytics for compliance and vetting.
- It also reduces and simplifies the increasing workload of sanctions compliance and financial risk assessment.
- Predictive Fleet Analytics allows the identification of business opportunities as they arise, enabling swift action to reach new customers before competitors.

Lloyd's List Intelligence

See how market leaders mitigate risk and seize opportunities

Discover what Bunker Holding and PMI Services North America changed and the success it brought them.

GET CASE STUDIES

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About Lloyd's List Intelligence

Lloyd's List Intelligence has been a trusted and expert partner to the global shipping industry for more than 300 years. We provide energy, bunkering and commodity professionals with accurate data, validated analysis, and actionable insights.

Compliance

Credit

Vetting

Sales and business development

Market Intelligence

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