

Norden: Bunker fraud easily amounts to 3-4 percent

CARRIERS: Bunker fraud is a serious problem, and shipping company Norden has seen cases where several percent of the bunker never reach the carrier's ships. A series of initiatives will minimize the fraud.



BY JØRGEN RUDBECK
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Shipping company Norden knows all about bunker fraud, and the carrier can name glaring examples in which the agreed amount of bunker never made it on board the ship. The extent of the fraud has decreased,

but bunker fraud is still a problem on the global markets, with Singapore repeatedly mentioned as a key fraud location.

"We very much recognize the problem with bunker fraud in Singapore, and the sometimes quite creative setups in the bunker barges, clearly designed to alleviate fraud," Lars Lundegaard, Senior Vice President & Head of Technical Department at Norden, tells ShippingWatch.

And Lars Lundegaards also confirms the extent of the fraud.

"We've seen examples where the fraud quickly amounts to several percent of the ordered bunker, which you won't receive if you aren't careful. This could easily amount to both three and four percent of the bunker, and that quickly turns into quite a bit of money," he says, without commenting further on how much this kind of fraud costs a carrier such as Norden, which operates 220 dry bulk and tanker ships globally.

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ShippingWatch reported last week that bunker company Monjasa is also experiencing problems related to bunker fraud in the area around Singapore, and that the problem must be handled through increased control and better technology.

Lars Lundegaard of Norden points out that the extent of the problem is somewhat smaller today than it once was.

Norden has put a lot of effort into reducing the chances of suffering fraud in locations such as Singapore.

"At Norden we're doing what we can to minimize the risks, and we only use suppliers whom we know well. In addition to this, we've also developed a series of instructions for our captains and engineers, for them to follow when bunkering, regardless of whether we ordered the bunker ourselves or if it happened somewhere further down the supply chain. If those instructions are followed correctly, it becomes very difficult for someone to cheat us," says Lars Lundegaard, adding that the bunker transfer is always monitored by a neutral representative.

He says that flowmeters on all ships could be a solution, though it's hardly realistic, as installing a flowmeter can easily cost USD 100,000, while bunker time also becomes slower, a disadvantage to all parties, if the bunker has to pass through a flowmeter. Instead, he calls for increased vigilance and careful monitoring of all the individual processes related to the bunker transfer.

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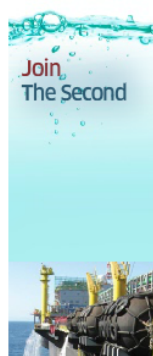
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