**Illicit Bunkering**

  14th August 2022

Introduction

Bunkering refers to the activity of loading fuel onto ships. Here we focus on the distinct activity of illegal ship-to-ship (STS) or terminal-to-ship (TTS) transfers of oil.

An illegal STS transfer might take place because the transferred fuel is stolen or prohibited due to sanctions, the activity itself is regulated for safety reasons, or the transfer may be between vessels engaging in other illegal activities.

It is primarily a facilitating crime because it enables other crimes such as [fuel smuggling](https://www.safeseas.net/evidence/2022/08/13/fuel-smuggling/)and [IUU fishing](https://www.safeseas.net/evidence/2020/02/26/illegal-unreported-and-unregulated-fishing/). Hiding transfers of fuel enables ships stay out at sea and remain undetected for longer. This entry does not cover the whole chain of fuel theft and the consequent [fuel smuggling](https://www.safeseas.net/evidence/2022/08/13/fuel-smuggling/), though such activities are often referred to as oil bunkering in prolific cases such as in Nigerian oil theft.[1](https://www.safeseas.net/evidence/2022/08/14/illicit-bunkering/#easy-footnote-bottom-1-251) These wider issues are discussed in the section on [fuel smuggling](https://www.safeseas.net/evidence/2022/08/13/fuel-smuggling/).

A large ship in the water

Description automatically generated*Image by*[*Konstantin*](https://pixabay.com/users/zzkonst-21946559/?utm_source=link-attribution&utm_medium=referral&utm_campaign=image&utm_content=6836749)*from [Pixabay](https://pixabay.com/?utm_source=link-attribution&utm_medium=referral&utm_campaign=image&utm_content=6836749)*

Characteristics

Not all bunkering is illegal and it forms an essential part of the global supply chain by facilitating oil fuel transfers in regions where onshore facilities are lacking or perceived as unsafe. It is a distinct form of [transhipment](https://www.safeseas.net/evidence/2020/02/10/transshipment/). There are various forms of bunkering which are considered criminal in themselves however, or because they facilitate wider organised criminal activities.

Countries often regulate the STS or onshore transfer of oil or particular types of fuel due to safety concerns. Ships breach these regulations engage in bunkering without the required insurance and approval within a state’s territorial waters.[2](https://www.safeseas.net/evidence/2022/08/14/illicit-bunkering/#easy-footnote-bottom-2-251) Transfers of regulated fuels may also include variants prohibited in some areas, such as Heavy Fuel Oil.[3](https://www.safeseas.net/evidence/2022/08/14/illicit-bunkering/#easy-footnote-bottom-3-251)

STS transfers and bunkering at terminals can be used to facilitate [fuel smuggling](https://www.safeseas.net/evidence/2022/08/13/fuel-smuggling/). Fuel may be smuggled from neighbouring countries where it is subsidised making it cheaper at the destination.[4](https://www.safeseas.net/evidence/2022/08/14/illicit-bunkering/#easy-footnote-bottom-4-251) It may also come from sanctioned countries such as North Korea, Russia, Venezuela, and Iran,[5](https://www.safeseas.net/evidence/2022/08/14/illicit-bunkering/#easy-footnote-bottom-5-251), countries experiencing conflict such as Syria,[6](https://www.safeseas.net/evidence/2022/08/14/illicit-bunkering/#easy-footnote-bottom-6-251) or from oil thefts deriving from piracy, crimes against critical infrastructure or from oil terminals themselves.[7](https://www.safeseas.net/evidence/2022/08/14/illicit-bunkering/#easy-footnote-bottom-7-251)

Oil is loaded onto ‘motherships’ from barges and smaller vessels.[8](https://www.safeseas.net/evidence/2022/08/14/illicit-bunkering/#easy-footnote-bottom-8-251) This may then be further bunkered in commercial tankers waiting outside of a state’s territorial waters from where it is then distributed to regional or international markets. [9](https://www.safeseas.net/evidence/2022/08/14/illicit-bunkering/#easy-footnote-bottom-9-251)

Oil theft can take place at terminals through the ‘topping-up’ of legally bunkered fuel. Some of this is facilitated by corruption and fraud, as corrupt officials may facilitate transfers and there have been instances of forged bills of lading.[10](https://www.safeseas.net/evidence/2022/08/14/illicit-bunkering/#easy-footnote-bottom-10-251) These forms of bunkering not only facilitate the smuggling of the oil, but also obscure the source of the oil if it is mixed with legal fuel during the bunkering stage, or co-loaded with split cargo, effectively resulting in its laundering.[11](https://www.safeseas.net/evidence/2022/08/14/illicit-bunkering/#easy-footnote-bottom-11-251) This laundering also occurs through repeated ship-to-ship bunkering which further obscures the source of the oil.[12](https://www.safeseas.net/evidence/2022/08/14/illicit-bunkering/#easy-footnote-bottom-12-251)

Bunkering enables other organised criminal activities such as organised forms of IUU fishing. IUU fishing vessels often travel great distances for their catches and avoid ports in order to evade law enforcement. Similar to the way transhipment allows for fishing vessels to land their catch and resupply in remote areas, bunkering allows for them to be refuelled at sea. This means groups of IUU fishing vessels with transhipment and bunkering ‘motherships’ can stay out to sea longer and more effectively avoid detection.[13](https://www.safeseas.net/evidence/2022/08/14/illicit-bunkering/#easy-footnote-bottom-13-251) In other cases local oil smugglers use small coastal vessels to resupply IUU fishing vessels.

Bunkering vessels involved in these activities often do not have authentic bills of lading,[14](https://www.safeseas.net/evidence/2022/08/14/illicit-bunkering/#easy-footnote-bottom-14-251) sail under flags of convenience, turn off their AIS intermittently to avoid detection, and have also been known to change their names.[15](https://www.safeseas.net/evidence/2022/08/14/illicit-bunkering/#easy-footnote-bottom-15-251) These activities suggest that some forms of bunkering are highly organised criminal activities, which are often  transnational in nature.[16](https://www.safeseas.net/evidence/2022/08/14/illicit-bunkering/#easy-footnote-bottom-16-251)

Scope

It is difficult to assess the scope of illegal bunkering because such activities are not systematically monitored (particularly when they take place to avoid safety regulations). More information is available on bunkering that facilitates [fuel smuggling](https://www.safeseas.net/evidence/2022/08/13/fuel-smuggling/), but even here estimates are focused on hotspots such as Nigeria and there are few reliable assessments of the overall scale of the problem. Annual figures from the past two decades suggest a figure within the range of 100,000 to 400,000 barrels per day being lost.[17](https://www.safeseas.net/evidence/2022/08/14/illicit-bunkering/#easy-footnote-bottom-17-251)

There is some information on bunkering to facilitate IUU fishing. Ford et al.[18](https://www.safeseas.net/evidence/2022/08/14/illicit-bunkering/#easy-footnote-bottom-18-251) demonstrate that bunker vessels off of the south coast of Timor Leste remained in this region for extended periods of time, despite the lack of any relevant infrastructure, and returned on numerous occasions despite there being no known IUU fishing vessels at the time. This suggests that bunker vessels are more visible than IUU fishing vessels and should be tracked to gain insight into the scope of IUU fishing, though the overall scope of this activity is still unclear.

Impact

While the wider criminal activities that bunkering facilitates, such as oil smuggling and IUU fishing, have impacts discussed elsewhere, the actual activity of bunkering itself also has negative implications.

The first is primarily environmental, with a higher potential for oil spills. Illicit fuel transfers – especially those that take place ship-to-ship – are recognised as being riskier than more closely regulated processes. Oil may be stored less safely, or be of poorer quality, and ship-to-ship transfers can also unsafe due to environmental conditions.[19](https://www.safeseas.net/evidence/2022/08/14/illicit-bunkering/#easy-footnote-bottom-19-251) Often they take place at remote locations where accidents if they occur are more difficult to deal with.[20](https://www.safeseas.net/evidence/2022/08/14/illicit-bunkering/#easy-footnote-bottom-20-251)

Illicit bunkering can also have economic impacts. Fuel may be sold at cheaper prices than that from legal sources due to the lower costs resulting from the non-observance of regulations and the avoidance of taxes and thus impact on the revenues of oily producing states and commercial interests.[21](https://www.safeseas.net/evidence/2022/08/14/illicit-bunkering/#easy-footnote-bottom-21-251)

Linkages and Synergies

Bunkering is linked to a number of other criminal activities. It is an essential part of many oil smuggling activities, because it facilitates the movement of sanctioned, regulated, or stolen oil at sea by storing it in ships or laundering it by mixing with legal cargos. Oil may be stolen through activities such as piracy, crimes against critical infrastructure (such as pipelines in shallow waters), or crimes in ports.

Bunkering is important for IUU fishing vessels because it facilities resupply and therefore increases the time they can spend at sea. Bunkering allows an ongoing supply of crew members to IUU fishing vessels and can facilitate human trafficking and slavery.[22](https://www.safeseas.net/evidence/2022/08/14/illicit-bunkering/#easy-footnote-bottom-22-251)

Bunkering itself is often enabled by corruption and fraud.

Responses

*International*

The International Maritime Organisation (IMO) provides guidelines and best practices for ship to ship transfers of oil, but illicit vessels may not follow them[23](https://www.safeseas.net/evidence/2022/08/14/illicit-bunkering/#easy-footnote-bottom-23-251) There are few international responses to illicit bunkering. The Food and Agriculture Organisation’s (FAO) Port State Measures Agreement identifies bunkering vessels as being an integral part of IUU fishing and therefore mandates their more rigorous inspection in port.[24](https://www.safeseas.net/evidence/2022/08/14/illicit-bunkering/#easy-footnote-bottom-24-251) There is little evidence that such measures are implemented consistently or successfully however. The Convention for the Conservation of Antarctic Marine Living Resources (CCAMLR) is considered one of the more stringent regional management regimes for fisheries, and while it prohibits the bunkering of certain fuels, there is evidence that this has been contravened with no implication for the perpetrators.[25](https://www.safeseas.net/evidence/2022/08/14/illicit-bunkering/#easy-footnote-bottom-25-251) Studies suggest international responses are limited because of legal ambiguities and a lack of prioritisation.[26](https://www.safeseas.net/evidence/2022/08/14/illicit-bunkering/#easy-footnote-bottom-26-251)

*National*

National responses are patchy. Most countries focus on the wider activity of oil smuggling rather than bunkering itself. Some countries have prohibited bunkering in their waters or require strict licensing, but such measures only apply within their own territorial waters.[27](https://www.safeseas.net/evidence/2022/08/14/illicit-bunkering/#easy-footnote-bottom-27-251) Examples of countries seizing ships in their territorial waters include Angola, Dubai, Guinea, Indonesia, Singapore, Malaysia, Sri Lanka, Dubai, and São Tomé and Príncipe.[28](https://www.safeseas.net/evidence/2022/08/14/illicit-bunkering/#easy-footnote-bottom-28-251) There are ongoing uncertainties whether states can claim jurisdiction over bunkering in their EEZs.[29](https://www.safeseas.net/evidence/2022/08/14/illicit-bunkering/#easy-footnote-bottom-29-251) Successfully tacking bunkering requires effective maritime patrolling and domain awareness capacities.[30](https://www.safeseas.net/evidence/2022/08/14/illicit-bunkering/#easy-footnote-bottom-30-251) It has also been argued that sanctions need to become stricter, and prosecutions made more consistently.[31](https://www.safeseas.net/evidence/2022/08/14/illicit-bunkering/#easy-footnote-bottom-31-251)

The difficulties of tackling bunkering effectively are illustrated by the case of Nigeria. Here, there are strong regulations in place, as vessels must obtain licenses and ship-to-ship transfers can only take place in approved locations.[32](https://www.safeseas.net/evidence/2022/08/14/illicit-bunkering/#easy-footnote-bottom-32-251) Even so, regulations on bunkering have proven difficult to enforce due to the extent of Nigeria’s territorial waters the capacity requirements of policing these effectively.[33](https://www.safeseas.net/evidence/2022/08/14/illicit-bunkering/#easy-footnote-bottom-33-251) While technological tools such as mass flow metering prevents ‘topping up’ bunkering at terminals, which has been reported as successful in limiting transfers in both cases, it is less clear as to the extent this has encouraged illicit STS of oil to avoid stricter management at terminals. Nigeria’s Nigerian Maritime Administration and Safety Agency and Navy have partnered with each other to address the issue, and the government has also employed the services of private security contractors.[34](https://www.safeseas.net/evidence/2022/08/14/illicit-bunkering/#easy-footnote-bottom-34-251) While these responses seem to have led to some decrease in bunkering activities the problem remains prevalent.[35](https://www.safeseas.net/evidence/2022/08/14/illicit-bunkering/#easy-footnote-bottom-35-251) The legal ‘finish’ on such cases has often been wanting, as there have been few cases of prosecution despite arrests and seized ships have disappeared from custody.[36](https://www.safeseas.net/evidence/2022/08/14/illicit-bunkering/#easy-footnote-bottom-36-251)

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