

FUEL REPORT

There are a number of significant changes taking place in the Fuel Supply chain that may well have an effect on the entire Humanitarian Community and its fuel supply.

Firstly, the introduction of the new unit "Cracker Unit" at Khartoum Refinery (Gaili) enabled the Sudanese Petroleum Corporation (S.P.C.) to increase its capability. The effect to date is that there is a current surplus on the market of around 10%, and Diesel as well as Gasoline is being exported using the 6" pipeline connecting the refinery to Port Sudan.

This is confirmed on the chart issued by the S.P.C. to its licensed operators below.

Product	2006 (Million metric tons)	2007 (Million metric tons)
Gasoline	1135	1163
Diesel	1639	1868
Jet A1	0.205	0.308
LPG	0.326	0.330
Heavy Fuel Oil	0.155	0.330
Light Fuel Oil	0.182	0,291

The above clearly indicates, if present trends continue into 2007, that there will be an approximate excess of 25%. In addition, the new hydro electric power from the new dam will come on line releasing 1600m³ of Diesel per day into the market.

Fuel is being exported. Therefore the UN could consider the option of local provision as opposed to importation of these same fuels as this just adds costs. It may well be that it is a license problem as only licensed operators are allowed to draw fuels from Gaili.

Fuel in the North of Sudan is still subsidized and available to other UN agencies through licensed contractors authorized to operate in Sudan.

Secondly, the movement of fuel by air is compounded by the Sudanese CAA banning the practice of de-fueling from wings of aircraft next year. In addition they have instituted complex licensing procedures for bulk containers within aircraft. It is a reasonable expectation that there will be increased cost implications to initiate a new system of licenses and also a reasonable expectation of cost and price savings from total delivery by road.

Even though the road network has been improved in Sudan, road movement remains poor. This is due to a common problem of overloading and the wrong vehicles with poorly trained operators resulting in fuel shortages in a number of locations. This fact was noted when the good operators, although encountering problems with the extraordinary weather and extended rainy season this year, have always managed to ensure deliveries throughout this rainy season, which is a first and should be commended. The improving infrastructure will also help to eliminate these problems in future years.

UNJLC
United Nations Joint Logistic Centre
Khartoum, Sudan
Date: November, 2006



The availability of Jet A1 and all other fuels in Juba, Rumbeck, Wau and shortly Bor is welcomed. If the Oil Company planning is accurate, we should see further improvements to that service.

We also expect the first North to South non rainy season movement of fuels through Aweil linking to Wau by using ferries that are run by a private contractor on the Bentu road to Rumbeck. It will take two years before we see a more substantial sustainable route in operation.

However, the opening of these links will help sustain trade, in not only fuel and lubricant, but goods and services.