

Media Monitoring

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Sri Lankan bunker fuel supplier, Lanka Maritime Services, will take delivery of a 8,800 mt bunker barge, named Diganal, at Colombo port by the end July, a company source said late Friday.

With the addition of Diganal, the largest bunker barge to arrive at the Sri Lankan port, LMS will more than double its offshore storage capacity to 16,200 mt from the current 7,400 mt.

"We can send her to buy cargo, and at other times, we will use her as floating storage," the company official said.

Currently, LMS uses four barges to supply about 7,500 mt/month of bunker fuel in a market, which sells between 25,000 mt/month and 28,000 mt/month to ships calling at the island nation's southwestern port.

The 3,500 mt LMS Laxapana, is currently the largest bunker barge at the Colombo port, and the company uses it to source fuel oil from Singapore.

"We can enjoy better economies of scale as we can ship a significantly larger parcel each time," the source said.

The 2,200 mt Dunhinda, the 1,100 mt Ramboda, and the 600 mt Viyaluma are the three other barges that LMS currently operates.

The source said the acquisition of the new barge will also help ease pressure on the country's only onshore oil terminal in Colombo.

In August 2008 the government reclaimed the 33,000 mt terminal from Lanka Marine Services, and opened it to the country's eight licensed bunker suppliers.

Each of the eight suppliers has only around 3,800 mt of storage space and face delays loading and unloading as the terminal has only one berth. "There's a queue most of the time," the source said.

LMS, is a part of the Sri Lanka Shipping Company, which holds a second bunker supply license through Lanka Bunkering Services, a joint venture with **Chemoil**.

In order to cut costs, new entrants Moceti International and CSC Kandia have teamed up with Interocean Energy and Lanka IOC via an informal alliance to supply bunker fuel to the local market.

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