

## **Bunkerworld**

### **'Great time' to be in the industry, says Chemoil CEO**

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The current volatility in the market offers opportunities to players in the bunkering industry, says the chief executive officer (CEO) of **Chemoil**.

One of the challenges faced by the bunker industry today is an ailing shipping industry experiencing the "acute stress" of low freight rates and high oil prices, said Tom Reilly.

He was speaking at the *Bunker Asia 2011* conference in Singapore organised by Bunkerworld on Wednesday.

"You cannot have a thriving bunker market if you have a sick shipping market," said Reilly in his keynote speech.

"Acute stress in the shipping market affects the bunker market."

The bunker industry, as with other industries, have interconnected risks and challenges, including volatile oil prices, geopolitical unrest and environmental issues, he noted.

However, Reilly said suppliers should focus on "controllable risks", specifically, managing operating risks.

He said suppliers could control their financial resources, particularly their savings, the quality of their services and systems as well as human capital.

"If there is an opportunity to lock in your credit, this is a good time to do it," said Reilly, adding that forecasts point to further weakness in the financial market.

He also noted that at times of "acute stress" shipowners would usually look for "lower prices", providing opportunities for independent suppliers to expand their clientele.

Meanwhile, Reilly said he believed acquisitions and consolidation would continue in the current market.

Volatility also provided opportunities for companies to diversify into other oil products markets and undertake risk management products.

"I particularly like volatility, if you're smart, it would be a good time to make money," said Reilly.

"You just have to make sure you have the people in your team who understand management and understand counter party risks, if you do that, I think you are going to succeed."