

5. Book Review

An Introduction to Bunker Credit Risk by Adam Dupré (2010) published by Petrosport Limited, Oxford, ISDN 978-0-9548097-5-1, £45/€50/\$80 + p&p

From the legal perspective, this primer on the specialised field of bunker credit risk occupies a place on the spectrum between say a Nutshell Guide to Roman Law and something like the thoughts of Glanville Williams in his little book called Learning the Law. Although this is not a legal book, it is pithy, well organised and laced through with insight and experience. It is not a dry, technical tome.. The author, a product of the MRC academy of shipping analysis has 25 years of experience in the field and you can tell he has honed his style on years of report writing. Hardly a word is wasted. There is much good sense and water under the bridge on view.

Your editor has a bit of form with MRC. Years ago, when working for a well known unit load insurance mutual, the management as then was took the view that it would be better to commission a report from MRC on each of the new risks it was proposing to underwrite. At the time hundreds of new accounts were being written each year especially in the Asia Pacific region. The only organisation with any sort of form at all in the field was MRC, which back in the early 1990s already had strong knowledge of the Singapore bunker market.

A credit analyst bares a passing relationship with a consultant, of whom it is unkindly said that the stock in trade of consultants is to borrow the watch of an organisation and to then tell it the time. Credit analysts get their hands on the sources available on companies buying fuel, organise the data and the scuttlebutt and then sell the vendors of bunkers the score.

Dupré wastes no time telling his readers that the weighing of credit risk in the field is as much an art as it is a science, more wisdom than calculation.. There are telling illustrations. For example on the matter of the secretive tendency of shipping companies, the author gives these examples of obfuscation and delay:-

"We will get back to you in about three weeks after the entire management returns from holiday in Corsica"; or

"No. I am sorry, they all left their Blackberries behind except the CEO and he forgot to take his battery charger".

Most of us have probably heard variations on those ones over the years. Or take what the author calls the evasive or partial response:-

"No we don't own any ships."

"Well your principals do."

"OK yes we do operate five."

"But aren't three of them laid up and wasn't one declared CTL after a fire last week?"

Yes. OK we operate one ship."

The author says the basic objective of a marine credit report is to get readers to the point of knowing the subject company similar to the way they know their families, that is to say they understand their drives, how they may react in different situations, what resources they really have and how they will act in adversity.

The editor, recalling his entry into P&I service in the early 1980s straight from other worldly law lecturing, could have used a book like this. Although the subject is highly specialised, the book is a very useful introduction to maritime markets, maritime media, maritime sectors and much else in the "opaque and unique" markets of shipping. Maritime firms in most fields could do worse than to buy this book for distribution to their newbies and to anyone else who doesn't quite "get" the industry.