

# Nunchi Marine: Big opportunities and challenges await bunker trading sector

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Interview with *Tomas Stacy* from **Nunchi Marine**



## Interview

Tomas Stacy, Managing Director, Bunker Trading, Nunchi Marine shares his thoughts on an evolving bunker trading sector through a profile interview with *Manifold Times*.



*Singapore-headquartered independent oil cargo and bunker trading company Nunchi Marine recently provided Manifold Times readers insight into what it takes to operate a marine fuels trading desk through an interview with Tomas Stacy, Managing Director of its Bunker Trading department:*

**MT:** How did you get into bunker trading?

**TS:** Before diving into Singapore's bunker trading and physical supply industry, I was working in Shughart Technology in Scotts Valley, California. After returning to Singapore, a chance encounter with a head-hunter led me to join a local start-up in the bunker industry. This company quickly grew to become one of Singapore's largest physical suppliers, operating over 12 bunker tankers by 1990.

**MT: You have been in the oil and gas industry for over 30 years. How has your extensive experience in this field influenced your approach to bunker trading?**

**TS:** I have more than 30 years' experience both as a physical supplier and as a trader. I had the opportunity of working with both small and large trading houses and physical suppliers. My experience has given me a holistic view of the entire oil and gas supply chain. This understanding enables me to anticipate market dynamics and make informed decisions. It's also helped me build a robust network of contacts across the industry, which is invaluable in securing reliable supplies and managing market volatility.

**MT: Bunker trading can be quite volatile. What strategies do you employ to manage the risks associated with this market?**

**TS:** Petroleum products, much like any other commodity, can be unpredictable due to fluctuations in supply and demand. Sometimes, political events can shake things up even more. To navigate this, we use hedging as a key strategy in our trading approach. We also stay ahead of the curve by gathering market intelligence and news from trustworthy sources.

**MT: The maritime industry is under increasing pressure to reduce its environmental impact. How is Nunchi Marine addressing sustainability in bunker trading?**

**TS:** The environmental impact of ship pollution has sparked a long-standing debate among environmental groups worldwide. Europe has implemented Emission Control Areas (ECAs), and parts of Asia are following suit. Ships now need to use low and very low sulphur fuels for their engines and generators.

However, some larger and older vessels, particularly bulk carriers and container ships, still use high sulphur fuels with scrubbers. This isn't a long-term solution, as 3.5% sulphur in the fuel still leads to emissions.

As a responsible company, we are committed to pivoting towards greener fuels and look forward to a future where ocean-going vessels adopt biodiesel, methanol, and LNG fuels. Although these aren't entirely clean, they represent a step towards more sustainable shipping.

**MT: What do you see as the biggest opportunities and challenges for the bunker trading industry in the next few years?**

**TS:** Opportunities exist for physical suppliers if they're willing to upgrade their bunker fleet to IMO II tankers, which boast superior preventive measures for transporting hazardous materials. However, challenges remain, including the costly switch to green fuels like biofuels and methanol, which will inevitably raise shipping costs and affect businesses and consumers worldwide.

Another challenge is the growing preference among shipowners and international traders for collaborating with licensed suppliers. Unfortunately, some licensed holders do not operate their own bunker tankers, creating complexities in supply chain management and potentially limiting the flexibility and responsiveness of the service.

Some shipowners and buyers think they're buying fuel directly from licensed suppliers, but in reality, many of these suppliers use large or medium-sized trading companies for their logistics and paperwork. Some licensed suppliers rely heavily on these traders for their fuel stock and customer base. It's easier for suppliers to work with a few big traders rather than dealing with many individual shipowners, which can be complicated. This setup benefits local and international traders, like Nunchi Marine.

Photo credit: *Manifold Times*

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