



Tapping in

News about Bulk Liquids Industry Association Inc

Winter 2017 Edition

President's introduction

Dear Members, since we last met in Sydney on Nov 24th, 2016 (what a great harbour cruise!!) your Executive has been busy putting together member responses to industry papers on Coastal Trading and the Port of Melbourne tariff. We also met a number of times to contemplate the future of our association.

We considered a number of scenarios including formally aligning ourselves with other industry bodies and also how we could grow our membership. We took note of your feedback to our 2014 members survey that networking and information dissemination was considered valuable to all members. However, we also noted that information dissemination was not keeping pace with technological change and that the content needed to be more encompassing to meets members' needs. We also took on board the point that members still considered advocacy to be a fundamental role for the BLIA, hence our focus to submit the above responses. Thanks to all who provided input.

So, with one eye on these key points and another on continuing to make our meetings more enticing we came to the conclusion that we needed to change tact on how we operate. Firstly, we agreed we needed a social media platform that will encourage participation by all members on all pertinent matters. Secondly, we agreed that inviting guest speakers to our meetings was hugely beneficial and we will continue this with a networking function to follow each meeting so as to not only attract as many existing and prospective members but for members to bring along their work colleagues too. Thirdly, we have decided that 2 face-to-face meetings per year will meet our constitutional



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obligations as long as we have at one [1] face-to-face meeting in Sydney and one [1] additional electronic meeting amongst the Executive.

We concluded that maintaining our independence, adding a social media platform and improving the attractiveness of our meetings would be the right tonic to attract new members and grow our association. Please keep supporting the association by attending the meetings.

An announcement will follow in the coming months on our social media platform and we may even consider updating our web site!

More than a wee dram

In the calendar year 2016, exports of Scotch Whisky increased in value by £153 million to more than £4 billion (£4,008,927,149) and by volume to the equivalent of more than 1.2bn bottles, an increase of 4% and 4.8% respectively.

This is the first time since 2011 that both value and volume of Scotch exports recorded positive annual growth rates, and the first time ever that Single Malt exports have exceeded £1bn. But bottled Blended Scotch Whisky is still by far the biggest category. It accounted for 69% of all Scotch volumes and values exported in 2016. Single malt accounted for 26% with 6% of the total being in bulk.

In net terms Scotch Whisky remained the biggest contributor to the balance of trade in 2016 – ahead of other sectors such as aircraft, cars, medicinal and pharmaceuticals, electrical machinery and crude oil. Beverages (in total, including Scotch Whisky) provide a positive impact to the trade balance of £690m, but without Scotch exports the trade in beverages would add to the overall deficit.



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Scotch Whisky was directly exported to 182 different countries in 2016, up from 174 in 2015. While the exact number is considerable it is most likely that it is an underestimate due to the nature of distribution links and the number of hubs globally. Indirectly, Scotch is likely to reach more than 200 countries worldwide. Despite the long list of export countries, due to the stage of development of some major markets, combined with the number of re-distribution hubs worldwide, approximately 80% of Scotch exports by volume and value are supplied to the top 25 markets

Asia experienced a mixed year logging 1.8% growth in value in 2016 to account for one-fifth of all Scotch exports. While Asia is ranked third in value terms, in volume terms it is the second largest region globally, and this was consolidated in 2016 due to a 5.9% increase in deliveries driven by growth in the bulk sector.

Australia is part of Asia and bulk whisky arrives in tank containers. When Mildara Winery operated at Merbein and had the bottling contract for one brand owner around 400 tanks were handled in a year. Each tank contained 23,000 litres but it was concentrated by a factor of four. Around 300 ISO Containers of packaged whisky entered the supply chain via the operation of Iron Horse Intermodal.

Source: - <http://www.scotchwhisky.org.uk/newspublications/publications/documents/scotch-whisky-statistical-report-2015/#.WR4 MPVOLct>

Everything is big in Texas

Legislation that would allow higher truck weight limits in Texas for certain commodities, including synthetic resin, are close to becoming a reality.

The law would enable companies to purchase a \$5,000 annual permit allowing heavier container loads within 30 miles of a port or international bridge. The permits would bring the weight limit to 93,000 pounds [42.184 tonne] with six



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axles for sealed containers carrying non-hazardous goods. The current maximum load is 80,000 pounds or 36.287 tonnes

Those in favour of the law believe it will make the Port of Houston an even more competitive option for exports.

Texas is the No. 1 oil and natural gas producing state in world's No. 1 oil and natural gas producing country. Texans are experts at responsibly producing oil and natural and safely transporting those resources - through more pipeline miles than any other state - to refineries and manufacturers who make the products we use every day.

Texas is home to more than one-fourth of the nation's proven natural gas reserves. One-third of the 100 largest natural gas-producing fields in the United States are located, in whole or in part, in Texas. Because of abundant, readily available natural gas, petrochemical manufacturing in Texas is booming.

The U.S. Trade Office documents 1.1 million Texas jobs supported by exports in 2014. A fifth of Texas' \$289 billion in exported goods in 2014 were linked to Texas oil and gas production.

The current gross weight limit of 80,000 pounds, forces trucks to transport partially empty containers to Texas ocean-going ports on the Gulf of Mexico.

Every other container port in the nation, including Louisiana, has modified state law to create International Trade Transportation Corridors that allow modern trucks to safely carry fully loaded containers to deep water port facilities.

Meanwhile at home!

A number of media covered an address by Rod Sims Chairman of ACCC in March this year. Sydney Morning Herald was one and some extracts make this



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story: <http://www.smh.com.au/business/energy/gas-shortages-make-manufacturing-impossible-acc-20170313-guwwac.html>

Gas shortages have made manufacturing almost "impossible" and LNG exporters should take action to help resolve the supply crisis, Mr Sims warned.

Large industrial users have complained increasingly loudly about the availability of gas as prices have headed above more than \$20 a gigajoule – a seven-fold increase over the \$3-4 a gigajoule price that was on offer only recently.

Mr Sims pointed out that price rises of the order of magnitude "will perhaps permanently damage their businesses". He indicated Australia often makes it hard to be involved in manufacturing. We are now making it extremely difficult, if not impossible, for some!

There are a number of manufacturers where gas accounts for as much as 40 per cent of their costs, with some doubts that all of their gas demands can be secured.

"At best, it makes it hard for these companies to invest and plan with such high and uncertain gas prices and with considerable supply uncertainty. At worst, plants will close and jobs will be lost purely as a result of the current gas crisis," Mr Sims said.

Queensland's gas export projects involve three consortiums of local and international oil and gas companies, with the principal domestic investors being Origin Energy and Santos and offshore investors include Shell and Chevron.

Mr Sims commented: "The three [Queensland] LNG producers ... could not have foreseen that after their investment decisions were made east coast onshore gas exploration and development would be largely prevented,"



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Victoria, for example, has banned all onshore gas exploration and production which has stopped even conventional gas projects, while projects in both NSW and the Northern Territory face delays and uncertainty.

Mr Sims offered possible solutions: “the LNG producers would be well advised to support the domestic market as much as they can at this critical time.”

“They could, for example, decide not to sell extra gas into the spot market offshore, or they could develop additional gas for the domestic market”.

As is often the case with issues of national importance the gas supply has become a “political football”. Whilst it seems that the mantra “*making America Great Again*” has traction our wheels are skidding.

Water conditioning

Paul Pearce General Manager of Australian company Hydrosmart [www.hydrosmart.com.au] provided information about a process that is not “shouted from the rooftops” but is obviously one of the countries “unsung heroes”.

An increasing number of mining companies across Australia are choosing to use the company’s unique water conditioning system to treat water high in calcium, salt or iron levels.

Hydrosmart’s environmentally sustainable product has been available for 20 years and is growing in popularity – for industrial, agricultural and domestic applications – due to its consistent success without the expense and environmental repercussions associated with chemical methods.

Unblocking sheep station pipe runs of over 20 kilometres to numerous descaled water troughs, improving vineyard yields in the Barossa or removing gypsum and calcium scale build up from kilometres of 250mm poly pipes for Crocodile Gold in the Northern Territory are some of the history. At a Rio Tinto



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mine the system is being used on truck washes to soften calcium-rich bore water.

Wine producers use Hydrosmart units to resolve saline irrigation issues, as does Rockhampton Council, Mt Barker Strawberries and the Dubai Polo Fields in the UAE. The systems are also being used by many golf courses and over 30 Australian Councils have applied systems for management of their water problems.

The system offers performance and environmental advantages and considerable cost advantages. By using a unique computerised ionic bond breaking approach, Hydrosmart utilises virtually no power, needs no consumables and costs under \$10 annually to run. Hydrosmart works fundamentally by breaking down or weakening the bonds of minerals and compounds in the treated flow path of water.

One project was associated with a heap leach mining operation where crushed heaps are irrigated with a cyanide solution to leach silver into solution. Rob Gobert from Red Earth Group (now with Kinross) said:-

“We were able to observe and monitor the level of scale build-up and it was soon evident that the scale propensity had improved due to treatment,” “No solid scale formed on the scale coupon (installed to monitor build-up). Whereas usual behaviour was that without the addition of anti-scalent chemicals, significant scaling would form and be visible within a matter of days.”

No blockage issues were experienced and water being pumped was milky in colour.

Next meeting



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It is planned to have a meeting in Sydney in the second half of the year.

Hopefully the successful partnership with Intertek to jointly conduct a harbour cruise can be arranged.

