S&P Global Platts deploys Blockchain for collation of Fujairah oil inventory data

LONDON, Feb. 22, 2018 /PRNewswire/ -- S&P Global Platts, the leading independent provider of information and benchmark prices for the commodities and energy markets, today announced that it is deploying a proprietary, secure Blockchain network to allow market participants to submit weekly inventory oil storage data to Fujairah Oil Industry Zone (FOIZ) and the regulator, FEDCom.

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FOIZ hosts the Middle East's largest commercial storage capacity for refined oil products. As exclusive publisher of FOIZ's weekly oil inventory numbers, S&P Global Platts continues to partner with the Emirate in its journey to becoming a global trading hub.

In collaboration with FOIZ, FEDCom and the 11 terminal operators that use the flagship Middle Eastern facility, S&P Global Platts has developed a full scale commercial deployment of the Blockchain distributed ledger technology. This offers FOIZ and its port operators security, together with ease of use, and a full audit trail to collate weekly inventory oil products storage data.

The new technology improves the manual and unstructured process by which the terminal operators communicate their weekly inventory numbers to FEDCom. The new solution also alleviates the need for FEDCom to undertake manual validation and aggregation of each terminal operator's numbers, reducing the scope for human error.

James Rilett, Senior Director of Innovation and Digital Strategy, S&P Global Platts said: "We believe our project, in conjunction with our partners in Fujairah, represents a first for oil markets by offering a full Blockchain deployment to provide market participants with data that is increasingly critical in the region and to the global oil markets. As part of our on-going commitment to digital transformation in the energy sector and delivering innovative solutions, we are excited about the opportunity to engage with market participants to discuss ways of deploying this technology more broadly to help improve efficiency and manage risk in a secure environment."

Sohail Iqbal, Member Development Committee, FOIZ & Captain Salem Al-Hmoudi, Member FEDCom said: "We are very excited to be part of this digital transformation that S&P Global Platts have developed. The innovation represents the next step forward in Fujairah's ambitions to become a global hub for commodity trading. It will allow our terminal operators to be at the forefront of technology while at the same time operating at the highest level of security."

Mamdouh Malek Azizeh, Commercial Director, Fujairah Oil Terminal FZC, said: "Blockchain innovation will allow Fujairah's terminal operators such as us to deliver operations in a more efficient and secure environment. We are delighted to take part in this process, which will allow Fujairah Oil Terminal to increase operational efficiency and data management security. The technology will allow us to deliver results under a secure and no risk environment, which are seminal to the energy industry."

This project will deliver tangible benefits in recognition of an industry need for a more efficient and secure submissions process. These include:

- Reducing the burden of manual data management for both FEDCom and the terminal operators
- Dynamic display of reported numbers at an aggregated or individual operator level
- Improving reporting quality by automatically validating numbers with predefined criteria and aggregating numbers, avoiding human input
- Simplifying the certification of asset ownership.
- Improving security of data transmission and storage

As in the current process, FEDCom will have sole access to all individual terminal operator numbers and will submit only the approved aggregated weekly numbers to S&P Global Platts for global distribution.

Built on the opensource hyperledger Fabric framework, S&P Global Platts has developed a permissioned submissions environment where terminal operators submit data to FEDCom through smart contracts on individual private channels. FEDCom in turn runs a second smart contract, with an automatic command to calculate and submit data to S&P Global Platts on a public channel. This provides additional security and convenience for terminal operators.

S&P Global Platts has a long history driving technological evolution across commodity and energy markets. The division was the first commodity news organization to harness satellite transmission of oil prices in real time in the 1980s. It was present at the inception of electronic solutions for commodity trading, which have evolved as many global markets have embraced the eWindow online communications tool that brings greater speed, transparency and efficiency to the Market on Close price assessment process.

About S&P Global Platts
At S&P Global Platts, we provide the insights; you make better informed trading and business decisions with confidence. We're the leading independent provider of information and benchmark prices for the commodities and energy markets. Customers in over 150 countries look to our expertise in news, pricing and analytics to deliver greater transparency and efficiency to markets. S&P Global Platts coverage includes oil and gas, power, petrochemicals, metals, agriculture and shipping.

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