

40 years in the making





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Conrad Gerber

Founder, Petro-Logistics S.A.
1941 - 2009

It would have been unlikely that a small company with a finger on the pulse of the world downstream industry might have emerged in Geneva from a man born in the bushveld of Matabeleland, Rhodesia; and equally that another Rhodesian, born in Mashonaland, Salisbury, Rhodesia, would befriend Conrad Gerber in Geneva around the same year; and for both to create influential companies in the world oil game, the other involved in Africa and the global upstream in research, advisory practice, strategy and worldwide oil conferences. This was more than a marriage of interest, it was one of affinity and long-lasting friendship drawn from shared origins, history, diverse experience and common empathy with the clandestine world in which both had quite different backgrounds.

Born in the Savannah bushland around Bulawayo, in the then Southern Rhodesia, and the son of a cattle rancher, Conrad Gerber was raised in central-southern Africa. After school, alike many Rhodesians, he went 'Down South'. There he enrolled in the University of Cape Town and took Economics and Comparative African Government & Law. It served to ground an understanding of the economies of Africa, the markets and the diplomacy which marked the necessities of the day in a continent deeply involved in Cold War machinations and hot wars conducted south of the Equator by the Great Powers of the day: the Soviet Union, Peoples Republic of China, along with lesser acolytes from Cuba, North Korea and the Warsaw Pact like the German Democratic Republic – in competition with the United States and the West.

Returning home, the country was now independent after UDI in 1965 but under mandatory United Nations economic sanctions, and soon thereafter engaged in a civil war aimed at the overturn of the Rhodesian government led by Ian Smith. All were called up for duty: Conrad Gerber to join the Central Intelligence Organisation (CIO) under the prime minister's office, with direct oversight under the Cabinet Secretary and the prime minister.



Petro-Logistics was founded
40 years ago by Conrad Gerber

Little did he know then at the time that the former's son would become a colleague-in-arms in world oil years later in Geneva. In 1967 Conrad Gerber was assigned as a foreign economics analyst in CIO to watch and monitor the swirling geopolitics surrounding the country as it sought to stay afloat and survive under the pressures of shortages, strained foreign exchange and most of all oil supplies, all essential to economic sustenance. Oil then was procured through third parties landing cargoes in Beria, in Portuguese East Africa, later to be Mozambique, and oil product supplies coming in from South Africa.

This task occupied him through those difficult days and onwards, to the end of the war and shortly after Independence, in 1980, on behalf of the incoming government under Robert Mugabe. Then sanctions were lifted, and the new regime had other priorities and Conrad Gerber sought new pastures abroad, like many, to find himself in Geneva and in Switzerland where old ancestral roots lay.

The knowledge, experience and contacts made in the oil game would there in time be put to use as he would soon form Petro-Logistics Limited: its remit to watch and monitor the world's producers' output, shipments and cargoes, reporting on these most critical indices which could and would shape oil markets, crude supply and product prices. Meanwhile, a year would be spent initially in further graduate studies on gaining more insights on International Relations, at the Institut des Hautes Etudes Internationales in Geneva.

It was in early 1980 that he accepted an offer from an oil trader to take up a new challenge: to perfect disciplines in the murky world of oil market analysis and crude/product monitoring – the 'art and science' of tanker tracking, with the aim of discovering what OPEC and other oil producers in Africa and elsewhere were really doing as distinct to what they said they did. It was essentially a 'numbers game', one not readily penetrated, which brought to bear secretive skills, savvy and trade craft already acquired in Rhodesian oil sanctions evasion. As with 'one-man bands', initially Conrad Gerber registered Petro-Logistics Ltd and was declared Chairman and Chief

Executive. Secretarial and a small support staff joined, including Jacquie Sutter, Head of Analysis, who has been with the firm almost from inception. Links and relationships were built and developed in key oil regions, notably on the Black Sea, the Gulf and West Africa – all markets that operated with a high degree of opaque, vague and often contradictory data on output, shipments, and volumes to destinations often unknown.



The firm collected and analysed public and private data on the world's supplies of crude oil, using clandestine techniques and networks to pierce the curtains of secrecy raised by many oil-producing countries, especially members of OPEC in the Persian Gulf. Petro-Logistics tracked tanker loadings at major oil ports, relying on a network of about two dozen closely guarded personal sources. It rapidly built up key oil databases, informants and up-to-date data on oil tanker movements, combined with information from traders and oil executives, these then collated and synthesized into regular confidential reports issued for a fee to a growing list of core private clients, oil majors and even governments included.

Combining the skills of a contraband trader with those of espionage, the company used overt and covert means derived from intelligence work to pierce the shrouds of secrecy raised by oil-producing countries, especially the members of OPEC, the Organization of the Petroleum Exporting Countries in the Persian Gulf. It tracked their exports elsewhere to offer clear insights on the world production and supply profile, its volatilities and shifting trends.

Producers then kept almost all oil data as secret and would rarely disclose the unblemished truth on shipments. There was no official or aggregated measurement of worldwide oil supply or demand at the time, which could be relied upon unambiguously. Many oil-producer countries guarded their information on output as 'state secrets', and regarded leaks as fatal breaches of national security. Petro-Logistics penetrated that market's obscurity, its covert manipulations, and became the most-trusted source on monthly movements and oil market supply determinants. Even while the Iron Curtain fell, the 'Crude Curtain' remained beyond 1989.

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Eventually, attempts were made to bring greater clarity to the process: The International Energy Agency (IEA) in Paris, an association of Western oil-consuming countries, collected and published data from its members, as an indicator of oil demand. But they still lacked certitude on supplies. Information on production from the North Sea was published and was quite transparent, so that Petro-Logistics did not devote any resources to that area. Still, the 'black box' of supply could not be easily unlocked. Gulf countries in OPEC, which controlled most of the world's oil reserves, and production, remained a veritable 'black hole'.

Every month OPEC in Vienna published its own estimate of members' production. But it did not obtain that data from any members, relying instead, so it said, on 'secondary sources'. Even OPEC spokesman acknowledged that the group's production estimates often lack credibility. Hence crude/product price movements could not be readily anticipated.



Regarding confidential and accurate data, Conrad Gerber's ability to move markets was well known.

Often, the later producer-consumer 'dialogues' held by IEA/OPEC would fail to resolve these tricky market questions, as OPEC-Quotas were often made, only to be broken, output manipulated, with oil markets, investors and traders left at capital and financial risk.

The tracking of crude oil shipments was at times risky for the agents in the Petro-Logistics network. Some countries – Kuwait only one - prohibited the reporting of vessel data. In the 1990s, one tracker in the Persian Gulf 'disappeared', after a Petro-Logistics report on oil production was seen by officials of an OPEC state-owned oil company in the Middle East. Foul play was suspected. Petro-Logistics declined to say what happened to its tracker, but another associate said that he was presumed deceased. The firm knew the country involved, but withheld the name of the dead tracker, as it was still involved in monitoring business there, and it was essential to its mission to continue to plug the 'supply gaps'. The incident caused a company rethink and so Petro-Logistics put in place procedures to stop unauthorised leaks of the most closely held data, which must have come from one of its clients. The leak prevention technique involved an intelligence manoeuvre called 'the canary trap', in which each client's report was imperceptibly altered, so that if any unauthorised disclosure took place, then the offending party leaking the data could be identified. Since then, no tracker was ever 'lost in traffic'.

With both confidential and accurate data, Conrad Gerber's ability to move markets was well known and at times central. On one occasion, oil prices rallied in the futures market after word leaked to the news media of Conrad Gerber's estimate of actual OPEC production - a sizable drop from the previous month, particularly in production from Saudi Arabia – when the world markets thought the opposite, and had been 'sold' that inaccurate view. It was not the only time.

"Petro-Logistics' estimates have a significant market impact, as they are widely recognised as an important source on OPEC supply," once said Fatih Birol, then chief economist for the IEA, and one of Petro-Logistics' important clients. The firm was likewise cited as "very well connected in the Gulf and the Black Sea," said David Knapp, senior editor for global markets at the Energy Intelligence Group, a well-respected publishing and information services company. Knapp once worked at the IEA, where he had relied on Petro-Logistics' oil supply counts.

Both Petro-Logistics and Conrad Gerber were widely-admired and quoted in the world oil press of the day, even the Wall Street Journal. Yet, not all of the cognoscenti took this view, and some sought to diminish the firm and its founder in parody, especially during the era of Peak Oil mania when there was intense debate over data sources and the shenanigans that they were said to involve in distortion, seeming to bring forth the realm of fiction, at least to some: or perhaps, “faction” is the better term. Here the Geneva-based firm Petro-Logistics was once characterised (more properly caricatured) by one leading antagonist. An account from the writer, Matt Simmons, author of *Twilight in the Desert*, which disputed Saudi oil reserves and its capacity to produce, had the firm emerge in print as an operation with one employee and an office over a “grocery store”, supposedly “claiming” to have 20-30 harbour spies observing international crude/product cargo liftings. It went on: one could be forgiven for believing that the owner, Conrad Gerber, spends his time glancing at third party estimates and either issuing supposed consensus reports to the media or plucking figures out of thin air. This was an image of ill-informed fantasy.

In reality, the firm’s modest headquarter office was on the floor of an office block above Migros, the dominant retail chain in Geneva and Switzerland. The company’s data had always been extremely well organised, meticulous in its presentation, precise in numeric calculus, and much respected by its blue-chip clientele who paid handsomely for access to it on a timely basis. Its detailed data matrix covered a whole gamut of oil data specifics - cargoes, volumes, ports, destinations, timelines and country origins - that no one could have ever dreamed up, and no other third party had any equivalent definitive sourcing at its hands-on disposal anyhow. More was this attempt to diminish the firm mere ‘twilight in the mind’ than any market analytic or measured understanding of the firm and its operations.

Undoubtedly, the firm was the frontier-breaker and founder of the ‘art and science’ of tanker tracking, one that later attracted more players into the fold. Thus, Lloyd’s Marine Intelligence Unit, in London, later part of the Informa Group, used a network of 900 agents at 2,000 ports and cities, to publish its estimates for sea borne oil trade on a regular basis. All that infrastructure was not there back in the days of state security in oil, trading secrecy, clandestine sourcing, guesstimates, ‘official’ data manipulation and crude oil geopolitics designed to shape market perceptions.

Not only was Conrad Gerber involved in the oil game but he had enduring interest in affairs that mattered to Africa.

If not then for Petro-Logistics, which pioneered the tanker tracking game, using basic techniques, billions of dollars could have been lost or diverted in what was often corrupt within the world's largest commodity trade. Petro-Logistics set down a template that others mimicked to ensure that all data sourcing was ethically compliant, this well before any governments or organisations started paying attention to the egregious consequences of global oil corruption.

Conrad Gerber acknowledged that increased transparency in data, and by oil producers, might impact or even hurt the firm's business but he felt that it would not equally diminish the full-spectrum challenge of the hunt for hard and accurate data on which the clients relied for decades.



Not only was Conrad Gerber involved in the oil game but he had enduring interest in affairs that mattered to Africa. As it was in a nature shaped from earliest days in the dryland bush around Matabeleland, Conrad Gerber's modus operandi was understated and shaped by years in the game of espionage for the country he came from. His office was small, no glitzy palace beloved by oil traders, financiers, banks and others who inhabited the Genevois oil trading world.

As one well-trusted, he cultivated personal relationships and connections who esteemed a 'man of his word'. He was a member of the Geneva Energy Club, which met regularly to discuss world oil affairs. He was a Fellow of the Energy Institute in London, a member of the Club de Nice (for Energie et Géopolitique), and President of the Centre de Recherches Entreprises et Sociétés (CRES), a consulting firm based in Geneva where he had enjoyed a long association with Patrick Gantes. He participated in the prestigious meetings of Le Cercle.

Among his friends was Theodore G. Shackley, a famous CIA's spymaster, who led efforts to thwart Fidel Castro when station chief in Miami in the early 1960's. Shackley engaged in oil trading after he retired from the CIA in 1979, and Conrad Gerber was at his bedside just before he died. His client base, initially built around an oil trader who worked with Shackley, eventually expanded to include official agencies and major oil companies - both private and government-owned - plus a range of traders, as well as governments, including several OPEC members. The firm's clients would undoubtedly have well-used Petro-Logistics' reports to position and profit in crude oil futures markets, but the firm's founder never traded or did so.

Another old friend was Duncan Clarke from Rhodesia, who had arrived in Geneva in 1977, paradoxically the son of the Cabinet Secretary there who had oversight on CIO when Conrad Gerber worked in Intelligence, who he knew too. They remained lifelong friends for over thirty years, and it was with Clarke's firm, Global Pacific & Partners, involved in Africa and the worldwide upstream, that together they co-founded the African Institute of Petroleum (AIP) in 1996, bringing together for the first time the leading corporate and state industry names in a continent that had for long been difficult to access, divided by history, separated by ideologies, and often riven by national and private commercial interests.



When Clarke had been engaged in the late 1970s to seek information on West African oil data for crude trading by a trader, Petrol Armada, it was in that engagement that he met Petro-Logistics and Conrad Gerber, later to conduct several forays for the firm on the nascent oil industry in Africa and the political economy of several then-inaccessible states during the Cold War across the continent when conditions were difficult.

During the late 1970s and 1980s, the Cold War was in full flourish, and even in the 1990s harmony was not always present. Geneva in those days was a city of overt and covert espionage, rampant political intrigue, secret oil monies and nuclear arms negotiations. Africa remained deeply divided, its states in turmoil, global ideologies sharply split. Rhodesia remained at war and sanctioned until 1980.

Duncan Clarke and Conrad Gerber got on like a house on fire, with home and Africa their common interest. They met regularly in town, and would often joke about a joint company they would form, called 'TurmOil', to induce sustained instability in world oil markets: the idea that volatility would enhance the interests of both firms. But their relationship was built on more serious matters, one the AIP.

The Africa Institute of Petroleum went on to build a credible record of many accomplishments, in alliance with Global Pacific & Partners' portfolio of worldwide conferences, notably in Africa. Many African companies and state oil entities signed on to the Inaugural AIP, with Sam Dossou-Aworet of Petrolin the first President. On the Executive Board were Sonangol, TPDC, EGPC, Mobil, Energy Africa, BHP Petroleum, Benoit Koukebene (Congo), Standard Corporate Merchant Bank, Conrad Gerber (Secretary), Sam Okagbue (Legal Counsel), Duncan Clarke (Advisor), with Babette van Gessel (Global Pacific & Partners) managing the Secretariat.

Founder Members included these individuals and entities plus the Minister of Oil (Gabon), Ministry of Mines & Energy (Gabon), Union Texas Petroleum, Addax, Shell (Namibia), Lonropet, Hydro-Congo, Angola (Ministry of Petroleum), Minister of Oil (Congo), Pardev, TPDC, Sudan (OEPF and the Ministry), Petro-Logistics, Redwood Petroleum, Texaco, Agip (Libya), Namcor, Cabinda Gulf Oil, Saga, Japan National Oil Corporation, Petrolin, Inchape, Adepetun Caxton-Martins, CRES, Soekor (South Africa) and Global Pacific & Partners – with numerous notable oilmen and individuals from Africa and worldwide.

The AIP members were a fair part of the crème-de-la crème of the day in Africa's oil world and it formed the first formal network of senior executives and corporate oil players, with many governments too, across Africa, the PetroAfricanus Club to follow in its footsteps over the next quarter century.

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On 11 October 2006, Conrad Gerber was invited by Global Pacific & Partners to address its private-client PetroAfricanus Club during one of its regular dinners in London, others typically held in Africa. Those occasions, with around 80 distinguished senior oil executives, were held under strict Machiavelli's Rules: 'no disclosure under pain of punishment'. The record has been retained.

Some insights on the man may for the first time be released here in this testament. The thoughts of Conrad Gerber then revealed much that went into the history of Petro-Logistics: and about the bushman he had been from his early days. Some snippets follow.

He had come to realise the importance of Geography, the discipline that brought him into contact with Duncan Clarke when their paths crossed in Geneva. He disclosed that if the hearsay was correct, his parents made a monumental geographic error when they left Switzerland a century before to settle in Southern Rhodesia: as they apparently believed that Rhodesia was in Latin America but might have been alarmed when the Union Cattle steamship docked in Cape Town and the Captain told them this was the end of the road: so please disembark.

Geography was vital in the firm's monitoring of the oil market: for instance that Kawasaki was a discharge port in Japan, and not motor-bike or a Safari Lodge in Zululand.

From the time of growing up in Rhodesia to its end, the country went through five changes in nomenclature, then to emerge as Zimbabwe, allowing Conrad Gerber the anomaly of living in five countries without having geographically left any of them once. Counting cattle was also an always tricky task on the Matabeleland farm as bovine were congenitally uncooperative to begin with, tending to stampede through the exit in great batches: and then one had to count not only the total number but all the components as well - cows, oxen, heifers, bulls. It was foundational training for counting the OPEC barrels, as there was always the great rush of tankers through the Straits of Hormuz akin to cattle stampeding through the gate, and one has to keep tabs on the components - how much Arab Light, Iranian Gachsaran, Basrah Light, Abu al Bukoosh, and so on.



He related the experience of becoming the first home-grown, 'indigenous' civilian to be inducted into the Central Intelligence Organisation, an entity heavily inspired by the British model, with centuries of tradition from which the instructors could draw upon in the arts and crafts of the profession. It was like being in the crowd, and then disappearing from view - now you see it, now you don't - like OPEC barrels: were they really there or not?

The first CIO assignment was to write a report comparing the politico-economic models espoused by Kwame Nkrumah and Felix Houphouet-Boigny: which model would shape future independent states of Africa? It was a challenge accepted with alacrity: he had done Comparative African Government & Law at the University of Cape Town - a subject which the South African government of the day regarded with deep suspicion since, as taught, it almost transgressed the Suppression of Communism Act. Eventually summoned to receive the report's evaluation, the serious gent in review looked down at him, tore up the document, and said: "Let's be clear, no-one's interested in your opinion, let alone the Prime Minister; this thing's packed with value judgments. If you want to be a journalist, I'll get you a job at the Rhodesia Herald. Go away and start again." It was a rude wake-up call.

This training served well in the production of largely sterile Petro-Logistics reports - 'let the numbers speak for themselves' was the rule he followed for a lifetime, even while in early days one trader and old OPEC-hand told him: "You're either mad to do this in the first place, or you'll go mad doing it". He didn't. He found that acquiring the information needed was the first challenge. First principles first: if there is information to be had, somebody must have it. Then you must find Mr Ahmed, Mr Patel, Mr Dmitry or Mr Mpofu who had it, and convince them to impart the information required. Also, as oil players knew well: you had to hit pay-dirt the first time, since there may never be a second chance.

All that was the art of Conrad Gerber's tanker tracking profession: getting the stuff needed. The rest was science, computers, number crunching, and producing reports. He excelled at both.

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In honour of Conrad Gerber's legacy, in 2009, Global Pacific & Partners established the Conrad Gerber Award for Research & Intellectual Contribution to Africa, an Award given annually on behalf of AIP at their Africa Upstream Conference held in Cape Town, the recipients being many distinguished names who had been instrumental in work to further research into Africa's oil, gas and energy game.

Conrad Gerber would often make presentations on the world oil markets to that Conference and others the firm held in London, Dubai, Paris and elsewhere, while he was in demand too for similar exposes given to organisations in Switzerland.

Laura Gerber, daughter of Conrad Gerber and a former Swiss Olympian, was Official Photographer for the firm's 20th Africa Oil Week in 2013, and Daniel Gerber, the firm's Chief Executive, made several presentations there and in London too. When in 2018 Petrolin acquired the AIP, it hosted a PetroAfricanus Dinner in Cape Town at the 25th Anniversary of Africa Oil Week at which, before two hundred leading figures in the Africa oil industry, Conrad Gerber was honoured posthumously for his historic and foundation role in establishing and building the AIP, with Duncan Clarke and Babette van Gessel. Laura Gerber was there that night to receive this unique Award – citing Conrad Gerber as Petroleum Champion of Africa - on her late father's behalf.

Conrad Gerber remained the President of Petro-Logistics until his passing in Geneva in 2009. The sons – Mark and Daniel Gerber – now President and Chief Executive, respectively – both earlier partially inducted into the firm's operating practices, took over the entity in April 2009, to reshape it for the modern age, build new corporate alliances, open a Houston office, take it onto the worldwide web, innovate its offerings with cutting edge ideas, and digitise data, to create the modern Petro-Logistics, one now with 40 year vintage: an achievement few have ever managed in the turbulent global oil game.

The Gerber 'clan' running Petro-Logistics retain old family roots and history in their country of origin. The idea that Conrad Gerber and Duncan Clarke, both of similar provenance, could have built firms at different ends of the world oil industry, operating for 72 years in combined activity in their day, is a heritage that neither of those founders would have ever dreamed. Of course, they never formed TurmOil but spent many times together with a bottle of red plotting its global strategy.

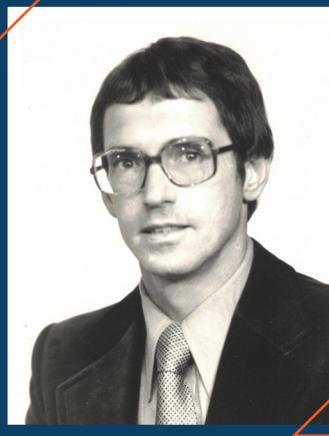
Few if any small firms of like-sort to Petro-Logistics exist any longer in world oil – let alone having its illustrious history, sound reputation and longevity. Its clients have continued to retain undiluted faith in its veracity, and new ones have enjoined its widened client base: super-majors, independents, governments, oil traders, banks, shippers, hedge funds, refiners, storage entities, oil service companies and investigative firms, amidst leading corporate players in world oil on six continents.

The firm continues to watch and monitor OPEC and Non-OPEC supplies in a greatly changed world of oil, crude and product export market flows, and in shifting country dispositions. It continues to release a range of respected in-depth analyses on diverse and topical concerns to the world oil industry fraternity. The company continues to flourish, managed by its familial inheritors. Its original core operating staff, who have been working with the firm for three decades-plus, remain; along with long-established representatives and contacts spread across Moscow, Mumbai, Vienna, Houston and London, and elsewhere, with private correspondents retained in key oil producing countries around the world.

From the *Historia Naturalis* of the Roman writer, Pliny the Elder (AD 23-79), was the remark: ‘Semper aliquid novi Africam adferre – ‘Out of Africa, Always Something New’. It was an allusion to animals at the time: today it might well be said of Petro-Logistics, a corporate animal of a special sort.

Duncan Clarke,
founder and chairman, Global Pacific & Partners, 1978-2016





Conrad Gerber

Founder, Petro-Logistics S.A.

1941 - 2009

Additional commentary from our **general counsel**

The development of a new energy source, such as crude oil and its refinement into gasoline, always has an impact on world history and business. The development can come quickly and the impact having strategic consequences. Such was, and continues, to be the case for petroleum worldwide. This significance always brings the attention of governments across the world. This, of course, brings the attention of government intelligence structures around the world. It should not surprise us that leadership in understanding the significance of petroleum would come from world intelligence agencies. Such was the case with petroleum development, location, transportation, and, ultimately, supply. As history over the last 40 years and before has shown, an understanding of petroleum's location, transportation, and ultimate delivery and use is very important to those leading governments, those producing the product, and those desiring or needing the product. The development of laws, international, nationally, and a combination of both, regarding petroleum has developed over these last 40 years and more. It is essential that such laws be identified and adhered to by business and governments involved in the energy development, transportation, and delivery. Petro-Logistics has been a leader in the development and implementation of internal processes to ensure that its activities and processes in developing and gathering information regarding all aspects of petroleum production, supply, and movement, comply in all respects with the various laws across the Globe that impact petroleum. This is essential and all parties in the petroleum business must assure such compliance with all such laws and regulations. These processes are an essential part of the on going history of the energy industry, recounted so eloquently above by Duncan Clarke. The legacy of Conrad Gerber continues along this line, which is as it should be. His legacy continues and Petro-Logistics' employees, many whom knew and worked with him, continue the on going business with essential improvements and changes. As Conrad Gerber would have insisted upon.

