

Refinery shutdown worsens bitumen shortage

The Mercury reports that the shutdown of Durban's Sapref refinery for unexpected maintenance is set to exacerbate SA's shortage of bitumen, which is used to produce asphalt for road surfacing. Bitumen shortage has affected about 35 SA National Roads Agency Ltd (Sanral) projects, in addition to other major road construction projects, including the John Ross Parkway upgrade in Richards Bay and highway construction in Durban.

Transport Minister S'bu Ndebele said recently that more than R1 billion worth of work would not be able to be completed Sanral contractors in the 2011/12 financial year because the agency "is severely affected by the shortage of bitumen."

"Sapref's shutdown is certainly going to have an impact and will make the current bitumen supply situation worse," said Saied Solomons, chief executive of the SA Bitumen Association (Sabita). A by-product of oil refineries, bitumen is used to produce asphalt for road surfacing. There have been bitumen shortages since the World Cup construction boom. With high demand and both planned and unplanned shutdowns of oil refineries the situation worsened.

"The Enref (Engen) refinery in Durban also only recently came back on line after the fire and maintenance shutdown late last year. However, there is very little new bitumen coming onto the market at the moment," Solomons said. "The situation is dire and is significantly impacting on the industry. It is not just big construction and asphalt companies that are being affected but small companies too, which is having a ripple effect on other business sectors." A costlier alternative was to import bitumen, and some construction and asphalt companies had banded together to import about 4 500 tons recently. In comparison, "South Africa uses roughly 420 000 tons of bitumen annually," Solomons said.

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