

Statement from the South African Petroleum Industry Association (SAPIA)

Shutdowns at SAPIA member refineries result in shortage of LPG to industry

South Africa – Shutdowns at three of South Africa's six refineries have caused shortages of liquid petroleum gas (LPG) and bitumen. LPG and bitumen, a highly viscous black semi-solid known as asphalt and most commonly used in road construction, are both by-products of oil refining.

"The LPG and bitumen shortages were caused by a combination of planned and unplanned shutdowns at the PetroSA, SAPREF and ENREF refineries," said Avhaphani Tshifularo, the executive director of the SA Petroleum Industry Association (Sapia). "However, everything possible is being done to improve the situation and we will keep business and consumers updated as the situation normalises."

The Department of Energy was notified of the refineries preferred shutdown dates (ENREF – 15 October to 23 November 2011 and SAPREF – 16 August to 30 September 2011) and the department compiled a schedule ensuring that two refineries would not be shutdown at the same time. Unfortunately, it was circumstances beyond the control of the fuel companies that forced the shutdown of three refineries.

"SAPREF, the oil refinery owned by Shell and BP had a planned closure but experienced a start-up delay and a fire at Engen's refinery resulted in it fast-tracking its shutdown. In addition, PetroSA experienced an unplanned shutdown, which was apparently caused by an electricity issue."

Although it remains difficult to determine when full operational capacity will again be reached, Tshifularo said that SAPIA hoped SAPREF's refinery would be back in production within seven days. Engen's planned shutdown will run until the third week of November and PetroSA is expected to be up by the second week of November.

"LPG marketers, such Afrox and Easigas, have the capacity to import LPG should the situation not remedy itself soon."

The remaining three refineries – Chevron's 100 000 bpd CHEVREF refinery; NATREF – the 108 000 bpd refinery jointly owned by Sasol and Total and and Sasol's 150 000 bpd refinery at Secunda, are all operating as per plans and production is running at expected capacity.

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