

# Sasol cuts output forecast for Secunda operations amid tight coal supplies

By [Emma Rumney](#)

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South African petrochemical producer Sasol further revised down annual production forecasts on Tuesday, 14 December, for its Secunda operations (SO) in the northeast, as its coal mining unit failed to deliver the required level of stocks.



Source: Reuters/Siphiwe Sibeko

The company had initially cut production forecasts in October for Secunda, which converts coal for use in the production of chemicals, solvents and polymers, after it shut down the plant for maintenance in the prior month.

Sasol's coal mines subsequently fell short of supplying the stock required for Secunda, prompting the plant to use stockpiles and hampering the impact of efforts to improve its operations.

"Although our efforts to improve SO's stability have yielded some positive results, our mining business improvement efforts have not met our own targets," Sasol said in a statement, stressing that it was a disappointing miss.



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## Production rates reduced

It said it had reduced Secunda's production rates and would keep them tight until the company sees an increase in its coal supplies.

The plant's full-year production volumes were now forecast at 6.7-6.8 million tonnes, Sasol said, down from its previous forecast of 7.4-7.5 million tonnes.

The company is now focused on restoring its stockpiles, gradually improving production through increased coal supplies and better safety at its coal mines, where three fatalities led to a hit in production.

It said a further update on its sales and volume outlook would be provided in January.

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