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One step closer for giant jobs booster at Coega

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POLITICAL EDITOR

In a major boost for Eastern Cape jobs, the R66-billion oil refinery project at Coega has taken a step closer to approval.

“A decision has been made on whether to proceed to the next stage of plant design,” PetroSA spokesman Thabo Mabaso told a financial news service yesterday. “The decision has been referred to (the) government ... and they will now look at that decision.”

Mabaso did not know when the government would make its decision and would not say what the state oil and gas firm planned.

The 400000 barrel-a-day Mthombo refinery had been “on the cards for about three years”, Mabaso said, and was expected to begin operating in 2014.

It is generally expected the government will give the go-ahead for the next phase of the project – the front-end engineering and design – with final approval being sought from the Cabinet at the start of next year.

The refinery will provide a major boost for both Nelson Mandela Bay and the Eastern Cape, with up to 30000 direct and indirect jobs created during the construction phase.

PetroSA says the “multiplier effect” will also be “significant” and that there will be “considerable opportunities for small and medium-sized companies providing goods and services to the refinery”.

The project will create about 18500 permanent jobs and is expected to save South Africa about R18, 5-billion a year in imports. Half of the refinery's output is expected to supply sub-Saharan Africa.

In addition, there is a plan to improve the water supply through a desalination plant, while the concept of converting petroleum coke to generate up to 800 megawatts of power is also being investigated by PetroSA.