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WPB Global Bitumen Prices

Week 3 of September 2026

Global bitumen markets moved higher in the third week of September, led by tighter Asian supply, firmer energy values and renewed freight risk. Iran is assessed at USD 390-395/MT for drum and USD 380-385/MT for jumbo bag, both FOB Bandar Abbas, while flexi bag remains at USD 320/MT on the existing EXW basis. Iraq is assessed at USD 320-325/MT for jumbo bag EXW, USD 330-335/MT for drum EXW and USD 380-385/MT for drum FOB Bandar Abbas.

Asia recorded the strongest upward revisions. Singapore rose to USD 700/MT for bulk and USD 770/MT for drum, South Korea reached USD 680/MT, and Chinese destinations moved into a USD 695-705/MT band. Indian CFR assessments were rebalanced by port and Malaysia was repriced higher, while Vietnam and Indonesia were adjusted lower to current destination levels. Thailand remained unchanged.

Elsewhere, Jebel Ali, Colombo, Chittagong and Mersin moved moderately higher as origin and replacement costs strengthened, while Brisbane was revised slightly lower to align with current delivered indications. Russia's imported and domestic assessments also increased. Brazil and Venezuela were held steady because no sufficiently strong weekly signal justified a change. Durban drum was reassessed at USD 870/MT CFR, while South African domestic bulk remained firm at USD 885-915/MT EXW.European markets turned firmer after the weakness shown in the first-week file. Hamburg, Barcelona, Valencia, Genoa and La Spezia were revised upward as fuel-oil and Mediterranean replacement costs increased, with domestic ranges also strengthening. Overall, Week 3 shows a fragmented market: sharp gains in the tightest Asian hubs, moderate increases in several import markets, and selective corrections where earlier delivered assessments had become outliers.

Iran

Date	Bitumen Grade	Price (USD/MT)	Price Basis
Week 3 of September 2026	60/70 (Drum)	390-395	FOB Bandar Abbas
	60/70 (Jumbo Bag)	380-385	FOB Bandar Abbas
	60/70 (Flexi Bag)	320 ±5	EXW factory

Iranian 60/70 drum is assessed at USD 390-395/MT and jumbo bag at USD 380-385/MT, both FOB Bandar Abbas. Flexi bag remains at USD 320/MT on the existing EXW basis, so its level should be read separately from the two port-delivered export ranges.

Russia

Date	Bitumen Grade	Price (USD/MT)	Price Basis
Week 3 of September 2026	60/70 (Iran-origin import)	630-660	CFR Novorossiysk Origin: FOB Bandar Abbas, Iran
	BND road grade (bulk)	425 ±5	EXW / refinery-market index; VAT excluded

The Iran-origin range edged up to USD 630-660/MT CFR Novorossiysk, while domestic BND bulk rose to USD 425/MT. The firmer values reflect higher replacement costs and constrained refinery availability, with the imported and domestic series retaining distinct price bases.

Singapore

Date	Bitumen Grade	Price (USD/MT)	Price Basis
Week 3 of September 2026	60/70 (drum)	770 ±5	FOB Singapore
	60/70 (bulk)	700 ±5	FOB Singapore

Singapore increased by USD 50/MT, taking bulk to USD 700/MT and drum to USD 770/MT. Tight export availability and stronger regional feedstock values support the move, while the established USD 70/MT drum premium is retained.

China

Date	Bitumen Grade	Price (USD/MT)	Price Basis
Week 3 of September 2026	60/70 (drum)	695 ±5	CFR Chongqing
	60/70 (drum)	698 ±5	CFR Hong Kong
	60/70 (drum)	698 ±5	CFR Ningbo
	60/70 (drum)	698 ±5	CFR Huangpu
	60/70 (drum)	700 ±5	CFR Yunfu
	60/70 (drum)	705 ±5	CFR Tianjin
	60/70 (drum)	700 ±5	CFR Dalian
	60/70 (drum)	698 ±5	CFR Guangzhou
	60/70 (drum)	698 ±5	CFR Nansha
	60/70 (drum)	698 ±5	CFR Zhuhai

Chinese destination assessments advanced by USD 70/MT and now range from USD 695 to USD 705/MT. The common increase follows stronger domestic and export benchmarks, while the existing port-to-port differentials remain unchanged.

UAE

Date	Bitumen Grade	Price (USD/MT)	Price Basis
Week 3 of September 2026	60/70 (drum)	600 ±5	FOB Jebel Ali
	60/70 (drum)	610 ±5	CFR Jebel Ali

Jebel Ali rose by USD 20/MT to USD 600/MT FOB and USD 610/MT CFR. Higher regional replacement and route costs justify the adjustment, while the USD 10/MT differential between the two listed bases is preserved.

Sri Lanka

Date	Bitumen Grade	Price (USD/MT)	Price Basis
Week 3 of September 2026	60/70 (drum)	530 ±5	CFR Colombo

Colombo increased by USD 10/MT to USD 530/MT CFR. The modest rise reflects firmer origin and freight replacement costs without adding the larger premiums seen in the tightest Asian markets.

Iraq

Date	Bitumen Grade	Price (USD/MT)	Price Basis
Week 3 of September 2026	60/70 (Jumbo Bag)	320-325	EXW factory
	60/70 (Drum)	330-335	EXW factory
	60/70 (Drum)	380-385	FOB Bandar Abbas

Turkey

Date	Bitumen Grade	Price (USD/MT)	Price Basis
Week 3 of September 2026	60/70 (Jumbo Bag)	560 ±5	FOB Mersin
	60/70 (Drum)	570 ±5	FOB Mersin

Mersin increased by USD 5/MT, placing jumbo bag at USD 560/MT and drum at USD 570/MT FOB. The small parallel move reflects a firm but orderly export market and preserves the USD 10/MT packaging differential.

Australia

Date	Bitumen Grade	Price (USD/MT)	Price Basis
Week 3 of September 2026	60/70 (drum)	840 ±5	CIF Brisbane
	60/70 (Jumbo Bag)	815 ±5	CIF Brisbane

Brisbane was revised slightly lower, with jumbo bag at USD 815/MT and drum at USD 840/MT CIF. The adjustment aligns the assessment with current delivered indications while preserving the established USD 25/MT drum premium.

South Korea

Date	Bitumen Grade	Price (USD/MT)	Price Basis
Week 3 of September 2026	Paving Bitumen PEN 60-80 export benchmark Nearest 60/70 market proxy Bulk vessel cargo	680 ±5	FOB Yeosu/Ulsan export market

South Korea rose by USD 100/MT to USD 680/MT FOB. The sharp revision reflects tight September supply and substantially higher Northeast Asian export values, while the fixed PEN 60-80 bulk specification remains unchanged.

India

Date	Bitumen Grade	Price (USD/MT)	Price Basis
Week 3 of September 2026	60/70 (drum)	688 ±5	CFR Chennai
	60/70 (drum)	625 ±5	CFR Cochin
	60/70 (drum)	700 ±5	CFR Haldia
	60/70 (drum)	595 ±5	CFR Mundra
	60/70 (drum)	630 ±5	CFR Kandla
	60/70 (drum)	645 ±5	CFR Nhava Sheva
	60/70 (drum)	691 ±5	CFR Tuticorin
	60/70 (drum)	719 ±5	CFR Kolkata

Indian CFR assessments were rebalanced by port rather than increased uniformly. The revised range is USD 595/MT at Mundra to USD 719/MT at Kolkata. Cochin and Haldia were lowered from the earlier Week 3 draft, while Kandla and Nhava Sheva were raised to reflect current packed-market relationships.

Malaysia

Date	Bitumen Grade	Price (USD/MT)	Price Basis
Week 3 of September 2026	60/70 (drum)	645 ±5	CFR Penang
	60/70 (drum)	650 ±5	CFR Kota Kinabalu
	60/70 (drum)	640 ±5	CFR Port Klang
	60/70 (drum)	643 ±5	CFR Pasir Gudang

Malaysian destinations increased by USD 85/MT, placing Port Klang at USD 640/MT and the four-port range at USD 640-650/MT. Stronger regional replacement values support the reset, with the previous port spreads retained.

Vietnam

Date	Bitumen Grade	Price (USD/MT)	Price Basis
Week 3 of September 2026	60/70 (drum)	635 ±5	CFR Haiphong
	60/70 (drum)	625 ±5	CFR Ho Chi Minh

Vietnam was adjusted lower by USD 25/MT, to USD 635/MT for Haiphong and USD 625/MT for Ho Chi Minh. The correction aligns the two CFR assessments with current destination indications while preserving the USD 10/MT port differential.

Brazil

Date	Bitumen Grade	Price (USD/MT)	Price Basis
Week 3 of September 2026	60/70	665-700	CFR Santos Origin: FOB Bandar Abbas, Iran

Brazil remains unchanged at USD 665-700/MT CFR Santos. Long-haul freight, insurance and shipment timing continue to widen the delivered range, and the available weekly signals do not justify moving the established assessment.

South Africa

Date	Bitumen Grade	Price (USD/MT)	Price Basis
Week 3 of September 2026	60/70 (drum)	870 ±5	CFR Durban
	50/70 (bulk truck)	885-915	EXW South Africa

Durban drum is assessed at USD 870/MT CFR, consistent with current delivered indications after allowing for the small CFR/CIF basis difference. Domestic bulk remains at USD 885-915/MT EXW, supported by firm local supply and truck-market costs. The revised levels create a more credible relationship between imported and domestic prices.

Alternatives to Iranian Bitumen Are Getting More Expensive: What Are Asia's Options for Autumn?

Market developments from 14 August to 11 September 2026

Ahmad Reza Yousefi – Infinity Galaxy

Introduction

Asia's bitumen market has entered a new phase. During the early months of disruption in the Hormouz Strait, buyers turned to other origins to offset restricted Iranian supply. Singapore, South Korea and southern China met part of that demand. These alternatives now face rising prices and tighter availability themselves. The market has found alternative supply routes, but sourcing through them is becoming increasingly expensive.

Argus assessments from mid-August to 11 September show a sharp narrowing of the price gap between South Korea and Singapore, with southern Chinese export prices approaching similar levels.

Meanwhile, Iranian bulk bitumen export prices have fallen. That difference alone does not create a sales opportunity: buyers must be able to receive their cargo when needed, at a cost they can calculate. This has been a recurring point in Infinity Galaxy's weekly market analysis.

Singapore and South Korea: A Price Gap Almost Erased in Four Weeks

On 14 August, Singapore's average export assessment stood at approximately $639/t, compared with $569/t for South Korea. The difference of roughly $70/t mattered to regional buyers. By 11 September, these figures had reached approximately $672/t and $660/t respectively, narrowing the underlying price gap to roughly $13/t.

Origin - bulk bitumen, FOB	14 August	11 September	Change in midpoint
Singapore	634–645	666–678	+33
South Korea	560–579	652–667	+90
Southern China	620–630	665–670	+43
Iran	305–318	297–306	−10

All figures are in US dollars per metric ton, rounded to the nearest whole dollar. Changes are calculated from the original assessments before rounding. Source: Argus Asian price assessments, 14 August and 11 September 2026. Freight, grade differences and delivery terms must be assessed separately.

South Korean prices rose by almost 16% over these four weeks, compared with approximately 5% for Singapore. Much of South Korea's price advantage over Singapore has therefore disappeared. It remains an important supply origin, but buyers can no longer count on the discount available a month earlier.

In Singapore, limited access to suitable crude feedstock has kept bitumen output constrained. A planned October turnaround at a major refinery adds to concerns over next month's availability. On 11 September, even bids of $720/t FOB, including demurrage, for specific September- and October-loading cargoes attracted no offers on the Argus platform. This was not the general market price, but it illustrates how tight supply had become for particular loading windows.

China: An Alternative Supplier Facing Its Own Shortages

Southern China has used regional supply shortages to expand exports in recent months. By 11 September, however, its September-loading export cargoes were sold out, and sellers were gradually offering October shipments. At the same time, low production and restricted availability had pushed domestic Chinese prices higher.

This could redirect some output back to the domestic market. Argus reports the possibility of lower exports as domestic prices become more attractive. That shift is not yet certain, but it matters to buyers relying on continued Chinese availability.

Higher prices do not necessarily indicate stronger consumption. Some Chinese contractors have halted roadworks because bitumen costs exceed what project budgets can support, while purchases have largely been limited to urgent requirements. The market therefore faces two pressures at once: restricted supply raises prices, and higher prices delay consumption.
Infinity Galaxy's assessment is that alternative regional supply remains available, but it is neither cheap nor unlimited. As more buyers turn to the same origins, securing suitable prices and loading dates becomes harder.

India: The End of the Monsoon Does Not Guarantee a Buying Surge

As monsoon rainfall eases, India is showing signs of improving bitumen consumption. This matters because demand is recovering while regional seaborne supply remains tight. However, some contractors still consider current prices uneconomic for their projects and have held back from significant purchases.
Domestic supply also faces constraints. According to Argus, reduced availability of crude suitable for bitumen production has limited output at some Indian state-controlled refineries. The end of the monsoon could therefore increase import requirements, but the extent to which those requirements become firm orders will depend on project budgets and delivered costs.

The gap between origin prices and delivery costs is substantial. In the week ending 11 September, some Iranian VG40 transactions were reported at $295–300/t FOB, while assessed bulk freight from Bandar Abbas to Mundra stood at $235–245/t. Freight alone therefore amounted to a large proportion of the product's purchase price, before other costs and delay risks were considered.

India could put additional pressure on the market this autumn, but this remains a conditional scenario. If consumption rises while supply stays restricted, competition for available cargoes will intensify. If costs exceed what projects can afford, some demand will be deferred again.

Iran: A Price Opportunity Still Depends on Delivery

Iranian bulk export prices have fallen while prices at the main Asian supply origins have risen. Argus attributes the decline to lower offers from some suppliers seeking buyers and a weaker rial, even as vacuum bottom feedstock costs increased. Lower Iranian export prices should therefore not be interpreted simply as evidence of falling production costs.
Trade has not stopped entirely. Some bulk cargoes have been sold to Oman, and several vessels have sailed towards India. But the movement of a few shipments does not establish a regular export schedule. Limited vessel availability, shipowners' concerns and delays to earlier orders continue to influence purchasing decisions.

Overland routes have consequently become more important for Iran. Argus reports firm demand from Pakistan, Afghanistan and CIS countries, alongside the sale of approximately 2,000 tons of jumbo-bag bitumen on an FCA Lotfabad basis. These routes can sustain part of Iran's sales, but they serve different markets and have different capacity limits. They cannot fully replace seaborne exports.

In Infinity Galaxy's view, Iran's autumn opportunity is real but conditional. Rising prices in South Korea, Singapore and China could bring buyers' attention back to Iran. Converting that interest into orders requires a workable shipping route, a clear delivery schedule and a transparent calculation of the final cost.

The market has become harder for both sides. Buyers face more expensive alternatives, while Iranian sellers must still demonstrate their ability to deliver despite offering lower prices. This autumn, sellers will be better placed if they understand their shipping capacity and the limits of their commitments before quoting, and communicate any changes quickly and clearly.
This report draws on Argus Bitumen data, with a focus on the 14 August and 11 September 2026 issues, and Infinity Galaxy's weekly market reports 307–310. The latest price reference is Argus issue 26-37, dated 11 September 2026.

Aqaba Gains Ground as Iraq's Hormuz Alternative as Transit Cargo Jumps 155%

According to WPB, Jordan's Aqaba port is emerging as a working alternative trade corridor for Iraq as disruption in the Strait of Hormuz redirects containerized cargo away from the Persian Gulf. Transit volumes through the Aqaba Container Terminal increased 155.1% in the first half of 2026, while a growing share of Iraq-bound goods is being unloaded on Jordan's Red Sea coast and moved east by truck.

Aqaba Container Terminal handled 60,178 TEUs of transit cargo during the first six months of 2026, compared with 23,593 TEUs during the same period in 2025. Total container throughput reached 472,680 TEUs compared with 468,062 TEUs in the first half of 2025, showing that the strongest change was not simply overall terminal growth but the rapid expansion of cargo using Aqaba as an onward transit point.

Port officials said increased trucking toward Iraq has been the main driver of the rise in transit activity. Goods that would normally have entered Iraq through its southern Gulf logistics system are increasingly being discharged at Aqaba and transported roughly 760 kilometers by road toward Iraq as commercial shipping through the Strait of Hormuz remains heavily disrupted.

The change is important because it represents an operational trade diversion rather than a proposed infrastructure project. Iraq has discussed several alternatives to its dependence on southern Gulf routes, including pipelines toward Türkiye, Syria and Jordan, but many of those options require substantial construction, investment or political agreements. The Aqaba corridor is different because ships, container terminals, roads, trucks and the Jordan-Iraq border connection already exist and are carrying additional cargo.

Jordan has also begun adapting its logistics system to the increased flow. Authorities have focused on improving cargo movement between Aqaba and the Karameh-Trebil border crossing with Iraq, while operating hours at the border were extended in May 2026 to accommodate higher land-freight volumes. Transport authorities have also worked on reducing customs delays, improving truck movement and expanding the ability of the border infrastructure to handle rising transit traffic.

The growth can also be seen in truck activity. During the first five months of 2026, 115,385 trucks passed through the Karameh border crossing, compared with 74,869 during the same period in 2025. Aqaba itself recorded substantially higher truck movements during 2026 as the port system adjusted to increased regional cargo flows.

For Iraq, the attraction of Aqaba is geographical. Cargo arriving at the Jordanian port reaches the Red Sea without entering the Persian Gulf or passing through the Strait of Hormuz, removing one of the largest current maritime uncertainties from that part of the supply chain. The trade-off is a long inland trucking leg from southern Jordan toward Iraq, which adds road freight, border handling, customs procedures and additional cargo transfers.

The corridor should therefore not automatically be considered cheaper than traditional access through southern Iraqi ports. Under normal shipping conditions, direct maritime delivery into Iraq's Gulf ports can offer a shorter and more efficient route for many commodities. Aqaba becomes more competitive when the cost of the alternative includes exceptional war-risk premiums, uncertain vessel access, severe shipping delays or the possibility that a cargo cannot reliably enter the Gulf.

This distinction is especially important for the petroleum and bitumen markets. The documented increase at Aqaba primarily concerns containerized transit cargo, and there is no confirmed evidence as of September 2, 2026 that significant volumes of bitumen are being rerouted through Aqaba into Iraq. The current data should therefore not be used to claim that Aqaba has become an established Iraqi bitumen-import corridor.

However, the infrastructure now being used for other Iraq-bound cargoes demonstrates a logistics model that could become relevant to some forms of bitumen if commercial conditions support it. Packaged bitumen in drums or jumbo bags can move through containerized or conventional cargo systems and can then be transported inland by truck, making it structurally more compatible with the Aqaba model than bulk bitumen that normally depends on heated marine and storage infrastructure.

For packaged bitumen originating in Mediterranean markets, the route could potentially offer a way to reach Iraq without entering the Persian Gulf. Cargo could move through the Mediterranean and Suez system toward Aqaba before continuing overland, although the commercial viability would depend on ocean freight, container availability, handling costs, customs procedures and the approximately 760-kilometer road movement into Iraq.

The economics would need to be evaluated cargo by cargo. Drum or jumbo-bag bitumen is already more handling-intensive than bulk supply, and adding a long trucking leg can materially increase landed cost. Aqaba may therefore be more valuable as a redundancy or security corridor during extreme Gulf disruption than as the lowest-cost route under normal maritime conditions. Bulk bitumen presents a more difficult case. A conventional bulk bitumen trade requires specialized heated vessels, compatible shore tanks, pumping infrastructure and temperature-controlled handling. The current evidence on the Aqaba-Iraq diversion concerns containers and general transit cargo rather than an established heated-bitumen chain, so there is no basis to describe the port as a current replacement for bulk bitumen shipments through Gulf terminals.
This is particularly relevant because Iraq's own bitumen and petroleum-product logistics are not identical to its crude-oil infrastructure. A crude pipeline toward another coast cannot automatically carry finished bitumen, while a container corridor suitable for consumer goods may only be relevant to packaged petroleum products if weight, handling and regulatory requirements can be met. Each commodity therefore needs to be assessed against the infrastructure that actually exists.

Aqaba nevertheless adds an important new dimension to Iraq's response to Hormuz disruption. The issue is no longer limited to planning future pipelines or discussing distant alternatives. Commercial cargo is already being redirected through Jordan, and government agencies are actively modifying border and transport operations to absorb the additional traffic.

The scale of the increase also suggests that the change is not limited to a handful of emergency shipments. Transit cargo at the container terminal increased from 23,593 TEUs in the first half of 2025 to 60,178 TEUs in the first half of 2026. Port representatives have expressed an interest in retaining part of this traffic after regional shipping conditions improve, which raises the possibility that some emergency rerouting could develop into a longer-term trade corridor.



Iran's Bitumen Exporters Need a Second Gateway—Here's How Gwadar Could Actually Work

According to WPB, Iranian bitumen exporters need more than another warning about the Strait of Hormuz. They need a second export architecture that can keep at least part of the country's packaged-bitumen trade moving when vessel access, insurance or shipping conditions at southern Iranian ports become unreliable. Pakistan's Gwadar port could eventually provide that outlet, but only if exporters and policymakers treat it as a structured logistics project rather than assume that an existing road corridor is already an authorized Iranian export route.

The urgency is increasingly visible in the shipping data. Only four commodity vessels passed through the Strait of Hormuz on September 1, 2026, compared with 10 vessels on August 31 and a preceding 10-day average of approximately 13. Iran also expanded its restricted-vessel list to 56 ships on September 2 and warned that vessels cooperating with listed tonnage through transshipment or ship-to-ship operations could face additional restrictions.

These developments do not prove that Iranian bitumen exports have stopped, but they expose the weakness of an export model in which too many contracts depend on the same maritime chokepoint. A seller can still have bitumen available, a buyer can accept the price and a contract can be signed, yet the transaction may fail if the vessel, insurance, port access or delivery window cannot be secured.

The solution should therefore not be limited to lowering the FOB price at Bandar Abbas. Iranian exporters need a two-track strategy: protect the routes that can still be executed immediately, while building a second maritime gateway for packaged cargoes outside Hormuz.

Track One: Stop Selling the Product Before Securing the Route

The first change does not require a new port, regulation or infrastructure project. Exporters should reverse the traditional sequence of selling an FOB cargo first and arranging transportation afterward. Under current conditions, transport capacity, insurance acceptance and a realistic delivery window should be confirmed before a sale is finalized.

For each cargo, the commercial offer should identify the packing location, primary border or loading port, confirmed transportation capacity, expected departure window, latest commercially acceptable delivery date and the alternative route available if the primary corridor fails. It should also establish in advance which party is responsible for additional transport, security, insurance or waiting costs.

This matters because the cheapest origin price is no longer necessarily the strongest offer. A slightly higher-priced cargo with confirmed transport and a realistic delivery date may carry more commercial value than a deeply discounted shipment that has no dependable route out of Iran.

For packaged bitumen, exporters should also make greater use of existing lawful land-accessible markets where commercial conditions permit. Cargo originating in northern and central Iran can continue to be evaluated for Türkiye, the Caucasus and nearby regional markets through established road connections, while shipments to Iraq and other neighboring destinations can be assessed according to actual border availability and delivered economics.

These land routes cannot replace Iran's seaborne export capacity. They can, however, reduce the number of contracts that depend entirely on Hormuz.

Track Two: Build Gwadar Into a Real Second Gateway

Gwadar addresses a different problem because it could eventually give Iranian packaged cargo direct access to the Arabian Sea without requiring the maritime leg to pass through the Strait of Hormuz.

The physical geography is favorable. Pakistan issued S.R.O. 691(I)/2026 on April 25, 2026, creating six transit corridors linking Gwadar, Karachi and Port Qasim with the Iranian border crossings at Gabd and Taftan. The shortest and strategically most relevant for southeastern Iran is Gwadar–Gabd, with Gwadar located only about 87 kilometers from the Gabd border connection.

The critical problem is legal rather than physical. The current Pakistani order covers third-country cargo transported through Pakistan and destined for Iran. It does not establish a reciprocal transit right allowing Iranian-origin goods to cross at Gabd, move to Gwadar and then leave Pakistan for another overseas market. That means Iranian exporters cannot simply begin routing bitumen through Gwadar under S.R.O. 691(I)/2026. The first structural requirement is a bilateral amendment or separate authorization allowing properly declared Iranian-origin export cargo to transit Pakistan in the opposite direction.

This distinction also updates an important market assumption. Gwadar has previously been discussed as a possible route for bypassing Hormuz, including for packaged Iranian products, but the detailed 2026 regulation shows that the infrastructure and the current legal right to export are not the same thing.

Why the Solution Should Start With Packaged Bitumen

If Iran and Pakistan establish reciprocal transit rights, the first test should not involve bulk bitumen. Bulk cargo requires heated shore tanks, dedicated pumping infrastructure, continuous temperature management and specialized heated vessels. Creating that entire system at Gwadar for Iranian transit volumes would require substantial investment and long-term commercial commitments.

Drummed bitumen and jumbo bags are much better suited to a pilot route. They can move by conventional truck or container, enter a general cargo or container terminal and continue on liner, feeder or multipurpose vessels without requiring a dedicated heated bitumen terminal.

This gives exporters another advantage: volumes can be divided across several departures rather than placing an entire contract on one specialized tanker. During periods of severe maritime uncertainty, smaller scheduled shipments can sometimes provide greater delivery reliability than one large cargo exposed to a single vessel and sailing window.

However, every shipment would need to retain its correctly declared Iranian origin. Moving cargo through Pakistan would change the physical transport route, but it would not change the origin of the product or remove sanctions, banking, insurance or destination-country compliance requirements.

The Gwadar model must therefore be based on transparent documentation, lawful counterparties, carrier acceptance, insurance approval and a payment mechanism that is permitted for the parties involved. Concealing Iranian origin or altering shipping documents would not be a logistics solution and could expose the cargo to detention, loss of insurance or non-payment.

Aggregate Cargo Before Asking Shipping Lines to Come

Gwadar's largest commercial weakness is not geography. It is limited regular shipping connectivity.

A maritime assessment published on July 30, 2026 noted that Gwadar had handled its first dedicated transshipment vessel but continued to receive only a

small number of regular liner calls. Before the increase in diverted regional cargo, the port was reportedly recording only around 22 vessel calls annually, far below established regional shipping hubs.

This means that opening the legal reverse corridor would only solve half of the problem. A route is not commercially useful if exporters can move containers to Gwadar but cannot secure regular departures from the port.

Iranian bitumen exporters could address this weakness through cargo aggregation. Instead of five exporters separately searching for transportation for five smaller drummed or jumbo-bag contracts, their lawful packaged cargo could be consolidated into a larger predictable volume and offered to shipping companies as scheduled demand.

The model would work best if exporters first identify expected monthly volume, destination clusters and preferred sailing dates. Logistics providers could then tender the aggregated volume to suitable carriers and negotiate a regular feeder or multipurpose service rather than arranging an emergency vessel after each sale.

A committed sailing schedule would fundamentally improve the commercial offer. Buyers could be quoted against a known departure window, defined delivery range and agreed contingency period rather than receiving only an FOB bitumen price with transportation left unresolved.

Why Gwadar Makes More Sense Than Karachi for the First Pilot

Pakistan's established ports at Karachi and Port Qasim have much stronger international shipping connectivity than Gwadar. For bitumen, however, the long inland journey from the Iranian border can seriously damage the economics.

Published estimates for moving an inbound 40-foot container from Karachi to Iran's Rimdan border have been approximately $3,500–$4,500, excluding the customs security deposit. Estimates for the longer Karachi–Taftan route have reached approximately $6,000–$7,000.

These figures apply to cargo entering Iran and should not be treated as quotations for Iranian bitumen moving in the opposite direction. They nevertheless demonstrate why long-distance trucking across Pakistan is problematic for a heavy product such as bitumen: inland transport can quickly consume the price advantage available at origin.

Gwadar–Gabd therefore deserves to be the first route tested. Its inland distance is dramatically shorter, which gives exporters a better chance of preserving the competitiveness of the final delivered cost. Karachi or Port Qasim could still be considered when stronger shipping connectivity outweighs the additional road expense, but they should not automatically be treated as the preferred solution.

Use a Pilot, Not a National-Scale Launch

The next step should not be an announcement that Gwadar has replaced Bandar Abbas. It should be a controlled pilot.

Once reciprocal transit authorization exists, exporters could begin with a limited number of fully documented drummed or jumbo-bag cargoes. The pilot should record every element of the final cost: transportation from the packing location to Gabd, border costs, Pakistani inland transport, port handling, container or cargo handling, security charges, ocean transportation and destination



costs.

The result should then be compared with the same cargo supplied through Bandar Abbas or from a competing origin. If Gwadar cannot produce a commercially reasonable final delivered cost, exporters should not use the corridor simply because it avoids Hormuz.

The key metric is not whether the route is geographically possible. It is whether the additional cost is justified by higher delivery reliability.

The pilot should also measure border clearance time, truck availability, container availability, cargo damage, documentation delays and actual sailing frequency. These operational details will determine whether Gwadar becomes a genuine commercial route or remains only an emergency option.

Which Markets Should Be Tested First?

The first destination markets should be those accessible from the Arabian Sea where packaged bitumen demand, shipping connectivity and the value of delivery certainty can support the extra handling involved.

India is one possible test market because its bitumen import flows have been heavily disrupted during 2026 and the country sits directly across the Arabian Sea from Pakistan. A Gwadar service would not replace established regional supply, but predictable packaged cargoes could become useful for urgent or project-linked demand if the final delivered price remained competitive.

East Africa could represent a later opportunity, particularly for packaged cargoes, but the economics would be more difficult. Exporters would need either a direct service or reliable transshipment, while maritime risk around the southern Red Sea and Bab el-Mandeb means that avoiding Hormuz does not remove every shipping risk for every destination.

Gwadar should therefore be developed first as a focused Arabian Sea outlet. It should not immediately be presented as a universal replacement route for all Iranian bitumen destinations.

Ship-to-Ship Transfers Do Not Solve the Same Problem

Recent energy flows have shown that companies can construct ship-to-ship relay systems outside Hormuz when conventional shipping routes become difficult. Iranian bitumen exporters, however, cannot assume that the same structure solves their problem.

A ship-to-ship transfer does not change the Iranian origin of the cargo. It also does not automatically solve the problem of vessel acceptance, insurance, payment or sanctions exposure associated with a vessel that initially loaded at an Iranian port.

The September 2 expansion of Iran's restricted-vessel measures also increases uncertainty around complex transshipment chains. A transparent land corridor to Gwadar would address a different issue by allowing the maritime leg itself to begin outside the Strait of Hormuz. For packaged cargoes, this is the strongest strategic argument for Gwadar.

A Practical Export Model

A workable Gwadar model for Iranian packaged bitumen would require several steps to happen in sequence.

First, Iran and Pakistan would need to establish explicit reciprocal transit rights for properly declared Iranian-origin exports. Without that authorization, Gwadar remains a potential route rather than a lawful outbound transit corridor under the April 2026 order.





Second, exporters should calculate realistic monthly packaged-bitumen volumes that could use the corridor and aggregate cargo among several suppliers where necessary. The purpose is to create enough predictable traffic to attract a carrier.

Third, logistics companies should negotiate scheduled transportation before exporters commit cargo to buyers. Containers or sealed cargo units should move from Iran through Gabd directly toward Gwadar with minimum unnecessary handling.

Fourth, buyers should receive a complete delivered-cost structure rather than only an FOB origin price. The quotation should identify transportation, handling, insurance and security costs and clearly state which party bears each risk.

Fifth, every transaction should have an alternative route. If Gwadar loses a sailing or the border becomes unavailable, the seller should already know whether the cargo can move through another lawful land corridor, return to a southern Iranian port or be rescheduled without destroying the commercial value of the contract.

The Strategy Is Redundancy, Not Replacement

Iran does not need Gwadar to replace Bandar Abbas. That would be commercially unrealistic.

Iran's southern ports remain central to the country's bitumen trade and offer established production, storage, packing and export infrastructure that Gwadar cannot reproduce quickly. The value of Gwadar would be to ensure that selected packaged-bitumen exports have a second maritime gateway when the traditional route becomes unreliable.

This distinction changes the strategic objective. The goal is not to redirect every tonne of Iranian bitumen through Pakistan; it is to prevent every export contract from depending on one chokepoint.

The most competitive future exporter may therefore not necessarily be the company offering the lowest refinery-gate price. It may be the supplier capable of giving the buyer two credible delivery options, confirmed transport capacity and a clear contingency plan before the contract is signed.

Iran and Pakistan already possess much of what is physically required: a TIR-enabled border connection, a designated road corridor, an Arabian Sea port and an active effort to improve customs and border capacity. Gwadar has also demonstrated that it can handle real transit traffic, including approximately 200,000 tonnes of transit breakbulk cargo during the three months preceding August 2026.

The missing pieces are specific but solvable: reciprocal transit authority, sufficient aggregated cargo, regular shipping connectivity and commercially competitive total transport costs.

For Iranian bitumen exporters, that makes Gwadar more than a speculative map route but less than a ready-made solution. The practical strategy is to secure the legal reverse lane, aggregate packaged cargo, establish scheduled shipping and test the corridor through limited commercial shipments before attempting to scale it.

In a market where Hormuz can no longer guarantee execution for every sale, building that second gateway could ultimately be more valuable than another reduction in the FOB price.



Operational Disruption Hits South Africa's Bitumen-Producing Natref Refinery

According to WPB, South Africa's Natref refinery has reported an operational disruption that affected refinery production and product supply, placing renewed attention on one of the country's established sources of road bitumen. The refinery produces multiple grades of bitumen alongside petrol, diesel, jet fuel, fuel oil and other petroleum products, but there is no confirmed evidence that its bitumen unit has shut down or that bitumen production has specifically declined.

Sasol said on September 1, 2026 that Natref experienced an unplanned shutdown of a downstream unit in mid-August, which occurred at the same time as a planned shutdown of a separate unit. The combination affected refinery production and supply, prompting the company to introduce measures intended to improve operational continuity and stabilize product availability through the end of September.

The September 1 update followed an earlier statement issued on August 26, when Sasol said the unplanned shutdown had affected its ability to meet full supply commitments for certain product grades. Jet fuel was specifically identified as one of the affected products, including supply to customers at O.R. Tambo International Airport, while the company said partial deliveries would continue as mitigation measures were implemented.

The distinction is important for the bitumen market. Sasol has confirmed a refinery-wide production and supply disruption, but it has not said that bitumen was among the product grades whose supply commitments were affected. It has also not identified the downstream unit involved, disclosed damage to bitumen-processing equipment or reported a reduction in road-binder output.

Natref is nevertheless directly relevant to bitumen because it is an established producer rather than a refinery whose connection to the binder market is only theoretical. Historical company filings explicitly state that refinery production includes petrol, diesel, propane, jet fuel, multiple grades of bitumen, fuel oils, sulfur and various gases. Sasol's current product portfolio in Sub-Saharan Africa also includes penetration-grade bitumen 35/50, 50/70 and 70/100, as well as several cutback grades used in road construction and surface treatment applications.

The refinery, located in Sasolburg in South Africa's Free State province, has a nominal design capacity of approximately 108,000 barrels per day. Sasol's financial reporting for the year ended June 30, 2026 showed that Natref production had increased 76% from the previous year, supported by improved operational reliability and the company's use of available capacity linked to its minority shareholder.

That stronger performance makes the August disruption notable. Natref entered the 2026/27 financial period after a substantial improvement in operating rates, meaning the new shutdown interrupted a refinery that had been producing more reliably than during the previous reporting year. Sasol had also indicated that higher fuel inventories at the end of June were intended to support planned shutdown activity during the early part of the new financial year.

The current situation therefore combines a planned maintenance event with a separate unplanned failure. That matters because simultaneous outages can reduce a refinery's flexibility to reroute streams, maintain normal throughput or compensate for lost production elsewhere in the system. The actual effect on each individual product still depends on which process units are unavailable and how the refinery adjusts its crude runs and product slate.

For bitumen, that process configuration is particularly important. Road bitumen is generally linked to the heavier fractions remaining after crude-oil distillation, but the volume ultimately produced depends on refinery configuration, crude slate, vacuum-residue availability and decisions about whether heavy material is directed toward bitumen, fuel oil or additional conversion units.

Natref was specifically designed as a high-conversion inland refinery. Its configuration includes upgrading capacity intended to maximize higher-value transport fuels from crude oil, which means heavy refinery streams can compete with other processing routes rather than automatically becoming bitumen. An operational disruption elsewhere in the refinery can therefore affect bitumen economics indirectly even when the bitumen production section itself remains operational.

This is why the September 1 announcement should not be translated into a claim that South Africa has lost Natref's bitumen supply. There is no confirmed evidence supporting such a conclusion as of September 3, 2026. The appropriate market interpretation is that an established bitumen-producing refinery is operating under abnormal conditions that have already affected overall production and the availability of certain products.

The next question for asphalt producers and bitumen buyers is whether those abnormal conditions begin to affect binder availability. If Natref continues supplying its normal bitumen grades, the effect on the road market could remain limited. If reduced refinery flexibility eventually constrains bitumen production or dispatch, buyers may need to draw more heavily on inventories or alternative domestic and imported supply.
That distinction can have significant cost implications because Natref is an inland refinery. Local production in Sasolburg provides a different supply structure from imported bitumen arriving through coastal terminals and then moving inland by road or other transport. If inland refinery availability falls, replacement material may have to travel farther, increasing transportation, handling and storage costs before it reaches asphalt producers and road projects.

The potential effect would therefore be seen first in supply reliability and replacement cost rather than necessarily in the international price of bitumen itself. A buyer may still find material available elsewhere in South Africa or from imported sources, but replacing local refinery supply can add inland transport costs and create longer delivery chains.

Sasol's current bitumen portfolio reinforces the refinery's relevance to road construction. The company markets penetration grades including 35/50, 50/70 and 70/100 for asphalt and road applications across Sub-Saharan Africa, together with cutback products used for priming and surface treatments. However, current public product information does not provide production volumes by grade or confirm which individual grades have been affected by the Natref disruption.

The most important factual boundary therefore remains clear. Natref is a bitumen-producing refinery, and Natref has experienced an operational disruption that has affected refinery production and the company's ability to meet full supply commitments for some products. Those two facts are confirmed, but they do not establish that bitumen production has stopped or that a measurable volume of road bitumen has already been removed from the South African market.

The mitigation measures announced by Sasol reduce the immediate risk of a broader supply interruption. The company said on September 1 that measures had been implemented to keep the affected unit operational through the end of September, improve refinery continuity and provide more stable product availability. Sasol also said it was working with industry stakeholders to maintain supply to customers.

For the bitumen market, the end of September therefore becomes an important operational checkpoint. If the affected unit remains stable and the planned maintenance work is completed without additional problems, the disruption may have only a limited impact on binder availability. Any extension of the outage, additional unit problems or confirmation of reduced bitumen dispatch would materially strengthen the direct market impact.
The South African market also has alternative supply channels, so even a confirmed Natref bitumen reduction would not automatically mean a national shortage. Imported bitumen can enter through coastal supply chains, while existing inventories and other suppliers can provide some flexibility. The commercial issue would be how quickly replacement material could reach inland customers and at what final delivered cost.

This makes Natref different from a simple refinery-outage headline. The plant sits inside South Africa's road-binder supply system, and its operational condition matters even before a specific bitumen shortage is confirmed. A refinery that produces multiple road-bitumen grades is already facing reduced production flexibility and product-supply pressure, which gives asphalt producers and traders reason to watch its September operating performance closely.
The correct market conclusion as of September 3, 2026 is therefore cautious but significant: Natref has not reported a bitumen shutdown, but a South African bitumen-producing refinery is operating under a confirmed production and supply disruption. Whether that develops into a direct road-bitumen supply event will depend on the duration of the unit problems, refinery throughput, inventory availability and the ability of Sasol to maintain normal bitumen production and dispatch through the end of September.



South Korea Weighs Military Options to Support Hormuz Navigation as Asian Energy Security Risks Rise

According to WPB, South Korea is reviewing practical measures to support freedom of navigation through the Strait of Hormuz, including options that could involve military action, marking a potentially important shift in how major Asian energy consumers are responding to prolonged disruption in one of the world's most important petroleum corridors.

A South Korean presidential official confirmed that Seoul is actively considering different forms of support and said claims that the country has provided no assistance on the issue are incorrect. The official did not announce a deployment, specify a military mission or confirm that South Korean forces will enter the Strait, making the distinction between reviewing options and approving an operation critical.

The development is significant because South Korea's exposure to Hormuz is not primarily geopolitical; it is structural to the country's energy supply. More than 60% of South Korea's crude oil imports pass through the Strait, while the broader waterway handled around 20 million barrels per day of crude and petroleum products before the current disruption, with approximately 80% of those volumes destined for Asian markets.

Seoul has already publicly supported international efforts to guarantee freedom of navigation through Hormuz. South Korea and Canada previously agreed to support international efforts toward a peaceful resolution of Middle East tensions and to ensure navigation through the Strait, while South Korea and the European Union have also formally called for safe transit and freedom of navigation in the waterway.

The new element is that the discussion has moved beyond diplomatic support toward consideration of practical measures that may include a military component. That does not mean South Korea has joined a military operation, but it indicates that continued disruption is forcing one of Asia's major petroleum-consuming economies to consider a more operational role in protecting energy transport.

Separate reports have discussed possibilities ranging from maritime patrol aircraft and logistical support to mine-clearing capabilities, but no such deployment has been officially authorized. Any eventual military contribution would also have to pass through South Korea's own legal, political and operational processes, meaning the current stage should be described as policy review rather than confirmed participation.

The timing is important because shipping through Hormuz remains far below normal levels. Only four commodity vessels were observed transiting the Strait on September 3, compared with a preceding 10-day average of approximately 15, although those figures exclude ships operating with their AIS transponders switched off and can therefore understate total movements.



The reduction follows months of extreme disruption to Gulf energy flows. Before the conflict, the Strait carried about one-quarter of global seaborne oil trade, and although several Gulf producers have limited pipeline alternatives, most regional exports remain heavily dependent on the waterway. South Korea

therefore has a direct economic interest in any measure that could improve the predictability of passage.

For the petroleum market, the significance of possible South Korean involvement is not that one additional country would automatically restore traffic. The more important issue is whether broader coordination among major importing countries and existing maritime-security forces could improve shipowner confidence, reduce uncertainty around vessel passage and eventually narrow the extraordinary risk premium attached to Gulf voyages. Shipowner confidence is particularly important because navigational access alone does not guarantee commercial traffic. A vessel operator must still assess the probability of attack, detention, mine exposure, crew risk, insurance availability and the possibility that a ship could become stranded inside the Gulf if conditions deteriorate again.

Insurance assessments would therefore be one of the first channels through which any credible improvement in maritime security could influence the market. If naval coordination or mine-clearance capability reduces perceived risk, war-risk insurers could eventually reassess coverage conditions or premiums, although there is no evidence as of September 4 that South Korea's review has produced any direct change in insurance pricing.

The same caution applies to transportation costs. There is currently no confirmed evidence that South Korea's policy review has reduced the cost of shipping petroleum or bitumen through Hormuz, increased vessel availability or changed Korean bitumen prices. Any such effect would depend on an actual operational decision and, more importantly, on whether shipping companies and insurers believe the measure materially improves navigation security.

For the bitumen market, the development is still relevant because Gulf-to-Asia cargoes operate within the same broader maritime-risk environment. Bulk bitumen requires specialized heated vessels, while packaged bitumen moving through conventional shipping networks can still face vessel acceptance, insurance, routing and transshipment constraints when Gulf navigation becomes more dangerous.

A more secure Hormuz would therefore potentially benefit bitumen trade even if no military mission is designed specifically around bitumen cargoes. Improved confidence among shipowners could widen the vessel pool, make sailing schedules more reliable and reduce the probability that a buyer must search for alternative routes after a contract has already been concluded.

The effect would not necessarily be uniform across all bitumen flows. Bulk cargoes depend more directly on specialized maritime capacity, while drums, jumbo bags and containerized bitumen have greater flexibility to use alternative ports, conventional cargo services or land corridors. The commercial impact would therefore depend on product format, origin, destination and the type of vessel involved.

South Korea itself is particularly relevant to the regional bitumen market because it sits within one of Asia's most active petroleum and asphalt trading systems. Bitumen prices in the country are already exposed to Far East shipping conditions, and BitumenMag's South Korean price assessments have previously identified Hormuz instability as part of the wider logistics risk affecting the market.

The new development goes beyond that earlier pricing context. Previous market discussion treated Hormuz mainly as an external shipping risk affecting Asian buyers, while the latest policy review indicates that an Asian consuming country may itself consider contributing operational resources to maintain freedom of navigation.

That shift matters strategically. Hormuz is increasingly becoming not only a Middle Eastern security issue but also a direct energy-security question for Asian importing economies whose refineries, transport systems and industrial sectors depend heavily on Gulf petroleum.



The International Energy Agency estimates that roughly 80% of the oil moving through Hormuz is normally destined for Asia. China, India, Japan and South Korea are among the economies most exposed to disruption, meaning prolonged instability can affect refinery feedstock availability, product balances and transportation costs far beyond the Gulf itself.

South Korea has already taken steps to strengthen its energy security through supplier relationships. Its government has worked with the United Arab Emirates on crude-supply cooperation and joint oil-stockpiling arrangements, demonstrating that physical access to Middle Eastern oil remains a national economic-security issue rather than simply a commercial purchasing decision.

A maritime-security role would address a different part of the same problem. Strategic stocks and diversified supply can reduce the immediate consequences of disruption, but they cannot fully substitute for a functioning shipping corridor if large volumes of crude, products and petrochemical feedstocks remain unable to move normally. For asphalt and bitumen companies, this means political-security decisions by Asian governments may increasingly become relevant to commercial planning. Vessel availability, insurance conditions and shipping schedules may depend not only on the actions of Gulf producers and Western naval forces but also on how major Asian importing countries respond to the security of their energy routes. The possibility of South Korean participation should nevertheless not be treated as evidence that normal Hormuz traffic is about to return. No final deployment has been announced, the form of any assistance remains undecided and the broader U.S.-Iran confrontation continues to create significant uncertainty around the Strait.

There is also a difference between improving navigation security and eliminating political risk. Even a larger naval presence cannot guarantee that commercial operators will immediately return if the probability of renewed military confrontation, vessel restrictions or mining activity remains high.

The most meaningful market signal will therefore come later, if Seoul turns the current review into a defined measure and shipping companies respond by changing their behavior. Vessel transits, war-risk premiums, chartering decisions and actual transportation costs will provide stronger evidence than political statements alone. the importance of the development lies in that transition. A disruption that initially appeared primarily as a Gulf security crisis is increasingly forcing Asian importing countries to consider direct measures to protect the energy corridors on which their economies depend.

If South Korea ultimately contributes to navigation support, the immediate objective would be security rather than bitumen supply. But any sustained improvement in vessel confidence and passage reliability could eventually reach the bitumen market through the same channels that currently transmit Hormuz risk: ship availability, insurance, routing, delivery reliability and the final cost of moving cargo from the Gulf to Asia.

As of September 4, 2026, that remains a potential effect rather than a confirmed market change. What is already clear is that the commercial importance of Hormuz now extends far beyond the countries surrounding the Strait, and Asian energy security is moving closer to the center of the maritime response.



India Faces a Post-Monsoon Bitumen Test as Road Awards Rise and Supply Stays Tight

According to WPB, India's road sector is approaching a potentially difficult post-monsoon period as high bitumen prices and disrupted availability are already affecting construction, while the pipeline of new highway projects is beginning to expand again.

The latest assessment from ICRA provides an important shift in the market narrative. Bitumen pressure in India is no longer visible only through higher prices or weaker import



flows. The agency says the sharp increase in bitumen prices and disruptions in availability amid the West Asian crisis have adversely affected road execution in Q1 FY2027, confirming that supply conditions have become severe enough to influence physical construction activity.

At the same time, the demand pipeline is moving in the opposite direction. ICRA expects India's Ministry of Road Transport and Highways, or MoRTH, to award approximately 8,000–8,500 km of road projects in FY2027, compared with around 7,000 km in FY2026. Road execution for the current fiscal year is forecast to remain broadly stable at 9,000–9,500 km, against 9,380 km previously.

This creates an unusual market balance. The current pace of construction remains constrained partly because weaker project awards over the previous three years reduced the volume of work available for execution, but the expected recovery in awards is rebuilding the next generation of road demand.

For bitumen suppliers, that distinction is important. A newly awarded highway does not immediately consume binder because land, approvals, mobilization, earthworks and base construction generally come before asphalt paving. However, a larger award pipeline eventually translates into additional demand for aggregate, asphalt and bitumen as more projects progress into the paving stage.

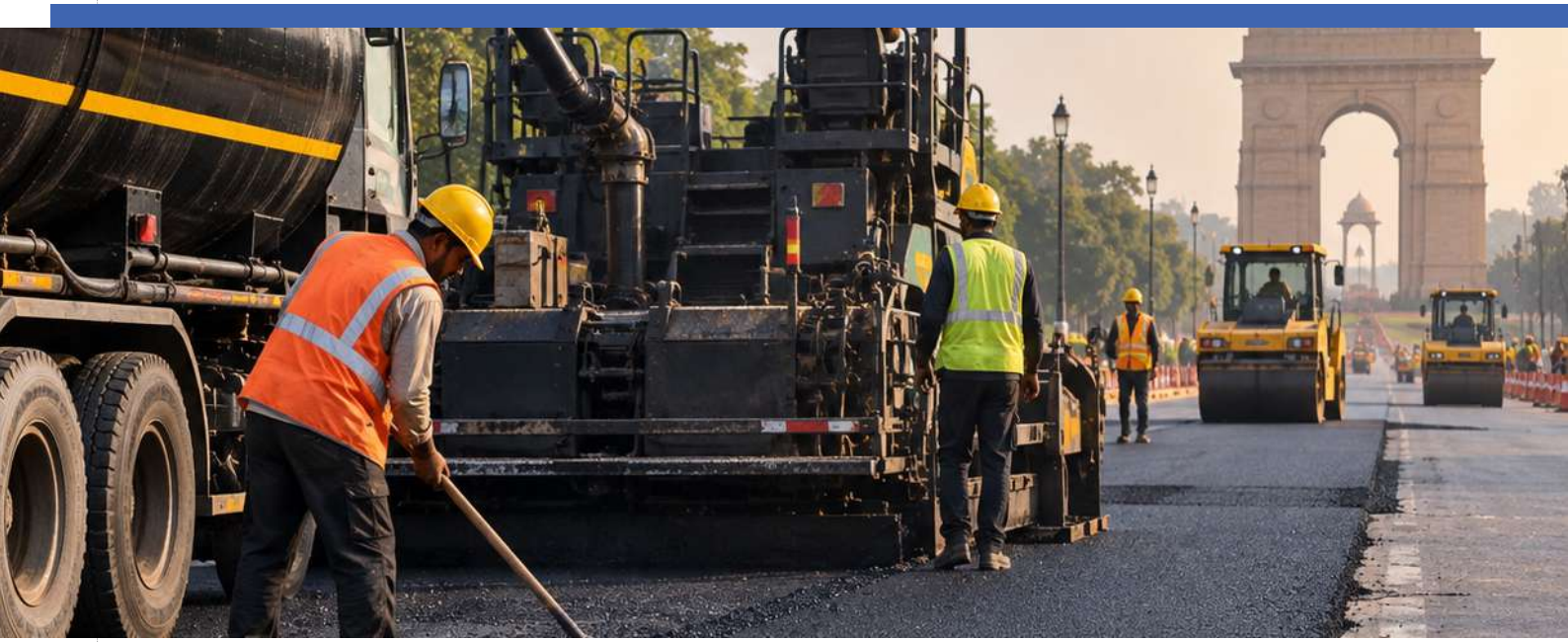
The immediate constraint is therefore occurring before the next demand cycle has fully developed. Bitumen is already expensive and less predictable to procure, while a larger road program is beginning to form behind the current construction pipeline.

ICRA's statement that bitumen availability has affected actual road execution is particularly significant. Contractors can absorb price volatility to a certain extent through procurement planning or contractual price adjustments, but physical availability creates a different problem. An asphalt operation cannot continue normally if sufficient binder does not arrive when paving crews and equipment are mobilized.

This makes reliability almost as important as price. A low-priced bitumen offer provides limited value if the cargo cannot be loaded, transportation cannot be secured or delivery slips beyond the construction window.

India entered this period with external supply already weakened. Bitumen imports in the first half of 2026 fell to approximately 905,000 tonnes from 1.81 million tonnes a year earlier, a decline of around 50%, as disruptions in the Middle East Gulf restricted normal vessel movements and reduced access to established supply channels.

That import decline is useful as background, but the newer ICRA finding is more important for the present market because it shows the consequence of those pressures inside the construction sector. The issue is no longer simply that fewer tonnes are entering India; insufficient or expensive supply has begun affecting how quickly projects can be executed.



Cost pressure is also extending beyond bitumen itself. CRISIL Ratings says large diversified Indian EPC companies are facing higher prices for cement, steel and bitumen, while geopolitical disruptions are also increasing transportation and insurance costs. Materials account for roughly 55–60% of total costs for the companies covered by the assessment, making simultaneous increases across several inputs particularly significant.

CRISIL expects operating margins for these large EPC companies to moderate by approximately 50–70 basis points to 8.2–8.4%, partly because contractual escalation mechanisms do not fully compensate for rising costs across a sizeable share of projects.

The CRISIL assessment is not limited to road contractors and covers diversified EPC companies active across several infrastructure sectors. Nevertheless, it confirms the broader cost environment in which India's road construction companies are operating: bitumen prices are rising at the same time as other major construction materials, transportation and insurance.

For road projects, this combination matters because asphalt is already highly dependent on timing. Contractors generally coordinate bitumen deliveries with plant production, paving crews, rollers, aggregate supply and traffic-management schedules. A disruption in one critical material can therefore reduce the productivity of the entire construction chain.

The return of stronger paving activity after the monsoon could make this problem more visible. Seasonal rainfall normally suppresses roadwork and temporarily reduces bitumen consumption. When weather conditions improve, delayed paving packages can restart in a relatively short period, increasing procurement requirements across multiple projects at the same time.

If supply remains constrained during that transition, buyers could compete more aggressively for refinery allocations and available imported cargoes. The issue could be especially important for contractors that did not build sufficient inventory in advance and require prompt deliveries to meet project schedules.

India's domestic refineries will therefore play an increasingly important balancing role. The country has substantial refining capacity and does not depend exclusively on imported bitumen, but refinery capacity alone does not guarantee that unlimited volumes of road binder will be available.

Bitumen output depends on refinery configuration, crude slate, operating conditions and the relative economics of producing bitumen versus upgrading heavy streams into other petroleum products. As a result, rising road demand cannot automatically be matched by an equivalent increase in bitumen production.

Regional distribution can create an additional complication. Even when national supply appears adequate, individual projects may face tight availability if they are located far from major producing refineries or depend on long-distance road transportation.

This makes the final delivered cost increasingly important. Buyers must consider not only the refinery or origin price but also transportation, insurance, storage, waiting time and delivery reliability. A nominally cheaper cargo can become more expensive than domestic supply if logistical risks delay arrival or require additional handling.

For importers, vessel availability remains another variable. India has traditionally sourced substantial volumes from the Middle East Gulf, and disruptions to maritime routes can reduce competition among suppliers while increasing the cost of securing alternative cargoes from more distant origins.

Alternative supply can help at the margin, but replacing established Gulf flows with longer-distance cargoes is not straightforward. Different freight economics, vessel availability and regional supply balances can make substitute origins significantly more expensive by the time material reaches an Indian terminal.

This is why the expected increase in MoRTH project awards matters even though immediate road execution is forecast to remain broadly stable. The market is not facing a sudden doubling of consumption; instead, it is moving toward a situation in which future demand is rebuilding before the supply system has fully recovered.

The difference between 8,000–8,500 km of expected awards and roughly 7,000 km previously represents a meaningful improvement in the future construction pipeline. As those projects move through mobilization and civil works, more of them will eventually enter bitumen-intensive paving stages.

The timing of that transition will determine whether the current squeeze remains a temporary procurement problem or develops into a more persistent market constraint.

If maritime conditions improve, imports recover and domestic producers maintain sufficient output, India may be able to absorb the stronger project pipeline without a prolonged shortage. In that case, the current disruption could ease as contractors rebuild supply options.

If availability remains restricted, however, the market could face a more difficult combination: a larger number of projects moving toward execution while contractors are already dealing with high binder costs and reduced flexibility in procurement.

That environment would place greater value on suppliers capable of guaranteeing volumes and delivery schedules. Buyers may become less willing to select material solely on the basis of the lowest quoted price if an unreliable supply chain creates a larger financial risk through project delays.

Inventory strategy may also change. Contractors and distributors could choose to secure greater volumes ahead of peak paving requirements rather than relying on frequent short-term purchases. Such precautionary buying could temporarily increase procurement demand even before actual asphalt consumption reaches its seasonal peak.For suppliers, the opportunity is therefore not simply higher prices. India could become increasingly attractive to companies capable of providing consistent specifications, predictable logistics and sufficient scale when the road program strengthens.

For contractors, the opposite risk applies. A growing order pipeline is positive for future revenue, but profitability can weaken if material inflation and supply disruption consume part of the margin before escalation clauses compensate for the increase.

For road authorities, the issue is equally important. Expanding the number of projects awarded does not automatically produce faster road construction if key materials become difficult or expensive to procure. The performance of the infrastructure program increasingly depends on the resilience of the supply chain supporting it.

The central development in India's bitumen market is therefore no longer simply a rise in prices or a decline in imports. The more important change is that bitumen supply pressure has now become visible in physical road execution, while the future project pipeline is simultaneously beginning to expand.

That combination creates a potential post-monsoon test for the market. Current road execution remains relatively stable, but the supply system must now support contractors already facing higher costs while preparing for additional projects entering the construction pipeline.

India's next bitumen challenge will therefore be determined less by one headline price and more by whether domestic refiners, importers and logistics providers can deliver sufficient material at the moment projects need it.

If they can, the expected recovery in road awards could translate into a stronger but manageable bitumen market. If they cannot, the country could enter a period in which limited availability—not merely high prices—becomes one of the factors determining how quickly its road-building program can progress.

UAE

UAE Builds New Hormuz-Bypass Trade Corridors, but Bitumen Still Needs Dedicated Logistics

According to WPB, the United Arab Emirates is accelerating the expansion of ports, pipelines and alternative trade corridors outside the Strait of Hormuz as the country seeks to reduce the exposure of its energy exports and wider economy to disruption at one of the world's most important maritime chokepoints.

The latest development moves the UAE's response beyond simply relying on existing bypass capacity. Presidential adviser Anwar Gargash said the country does not want its energy and economic activity to remain "held hostage" to conditions in Hormuz, while the government is strengthening eastern port capacity, pipeline infrastructure and alternative trade routes as part of a broader national resilience strategy.

The policy builds on infrastructure the UAE already possesses. Abu Dhabi's crude oil pipeline connects the Habshan area with Fujairah on the country's eastern coast, allowing a significant share of UAE crude to reach an export terminal with direct access to international shipping routes without first passing through the Strait of Hormuz.

Fujairah has therefore become one of the UAE's most strategically important energy assets. Its location on the Gulf of Oman gives the country a physical export option outside Hormuz, while its storage, bunkering and terminal infrastructure has developed into a major regional petroleum hub.

What is changing now is the scale of the strategic objective. The UAE is no longer treating alternative infrastructure only as spare capacity for occasional disruption; it is increasingly seeking to strengthen a broader network capable of keeping energy flows and commercial trade functioning when access through Hormuz becomes unreliable.

The shift follows months of severe disruption in Gulf shipping. Reduced vessel traffic, attacks on commercial shipping, higher insurance exposure and uncertainty over permitted navigation routes have demonstrated that the economic consequences of Hormuz disruption extend well beyond crude oil prices.

Commercial cargo, refined products, container movements and industrial supply chains can all be affected when shipping companies reduce calls inside the Gulf or when vessels face higher security and insurance requirements. As a result, the value of infrastructure located east of Hormuz has increased considerably.

For the UAE, expanding eastern ports can provide more than an alternative crude export point. Additional terminal, storage and cargo-handling capacity could allow a larger range of commodities and commercial traffic to be moved through locations that do not require vessels to enter the Strait.

New or expanded inland connections can strengthen that system further. Pipelines are particularly effective for large and continuous energy flows, while roads, inland logistics facilities and container networks can move products that cannot use crude pipelines.

This distinction is especially important for the bitumen industry.





A crude oil pipeline from Abu Dhabi to Fujairah does not automatically create a bitumen export corridor. Crude can be transported through infrastructure specifically designed for crude oil, but bulk bitumen requires an entirely different set of handling conditions.

Bitumen must normally remain at elevated temperatures during storage, transfer and loading. A commercially viable bulk-bitumen export system therefore requires heated storage tanks, insulated or heated transfer lines, suitable pumps and loading systems, temperature-controlled handling procedures and access to specialized bitumen vessels.

Without that infrastructure, the presence of a crude pipeline at Fujairah does little by itself to increase bulk-bitumen export capacity.

The UAE's wider logistics expansion could nevertheless create opportunities. If eastern ports gain additional storage, industrial land, trucking connections and marine capacity, dedicated bitumen facilities could eventually be integrated into those hubs more easily than if the supporting logistics network did not exist.

Packaged bitumen offers another possibility. Drummed material, jumbo bags and containerized bitumen do not require the same marine infrastructure as heated bulk cargoes and can use road and container networks more flexibly.

That makes packaged products potentially easier to incorporate into a broader Hormuz-bypass trade system. Product could theoretically be transported by road from production or storage locations toward eastern ports and then loaded onto conventional cargo or container services, provided the route is commercially competitive and suitable port services are available.

The economics would still determine whether such movements make sense. Moving bitumen overland adds trucking, handling, storage and potentially repacking costs, while longer inland distances can quickly eliminate the advantage of avoiding a maritime chokepoint.

For bulk cargoes, the commercial threshold is even higher. Constructing dedicated heated storage and loading infrastructure requires significant investment, and operators need sufficient recurring volume to justify that capital expenditure.

This is why the UAE's latest strategy should not be interpreted as evidence that all petroleum products can immediately bypass Hormuz in the same way as crude oil. The country is increasing the resilience of its overall trade system, but each commodity requires its own infrastructure before that resilience becomes operational.

The same issue applies to refined products. Terminals need appropriate tanks, pipelines, blending capability and loading systems for the specific grades they intend to handle, while port capacity alone does not guarantee that every product can be exported efficiently.

For bitumen suppliers, however, the direction of UAE policy is still commercially important. Infrastructure investment outside Hormuz can gradually create more options for storage, consolidation, trucking and marine export, particularly if companies see sustained demand for a second Gulf export gateway.

Fujairah is especially well positioned because the city already operates as a major oil storage and marine-fuel center. Existing petroleum services, ship traffic and energy infrastructure could reduce some of the barriers to developing additional specialized facilities compared with establishing an entirely new export hub.

The strategic value extends beyond emergency use. A dedicated bitumen route outside Hormuz could potentially remain commercially relevant even during periods of lower geopolitical tension if it provides reliable access to the Arabian Sea and efficient connections toward India, East Africa and other Asian markets.

Such a system could also change the way exporters manage inventory. Instead of keeping all material close to traditional Gulf loading locations, suppliers could position part of their stock outside the Strait and use it as a buffer during periods of disruption.

However, establishing that capability would require more than available land and port capacity. Bitumen storage involves heating costs, tank design, product segregation and careful management of grade specifications, while repeated heating can also affect product quality if operations are poorly controlled.

Marine infrastructure presents another limitation. Bulk bitumen is carried by a relatively specialized vessel fleet, meaning a new terminal must be able not only to store the product but also to load suitable ships efficiently and maintain cargo temperature during transfer.

The development of alternative corridors therefore involves two separate stages for the bitumen industry. The first is the construction of a resilient general logistics network outside Hormuz; the second is investment in the specialized assets required to make that network usable for bitumen.

The UAE is clearly advancing the first stage. Gargash's comments confirm at the national policy level that reducing exposure to Hormuz is no longer viewed solely as an emergency measure but as a long-term economic and security objective.

The second stage remains less certain. No comprehensive investment program has yet been publicly detailed that would establish major new dedicated bitumen capacity at eastern ports, and there is no basis for assuming that expansion of crude infrastructure will automatically be accompanied by equivalent investment in road-binder logistics.

That uncertainty is important for traders evaluating future Gulf export options. A map showing a pipeline terminating outside Hormuz can create the impression that all petroleum exports can simply be redirected, but operational reality depends on the product being moved.

For crude oil, the UAE already has substantial bypass capability. For bitumen, an effective alternative requires heated storage, specialized handling, suitable trucking or pipeline arrangements and marine loading infrastructure designed specifically for the product.

The latest UAE strategy nevertheless creates a stronger foundation for such investments than existed before. Ports, roads, logistics zones and energy infrastructure developed for broader national resilience can lower the barriers for private or state-linked companies that later decide to add specialized bitumen facilities.

The development is also relevant to regional competition. As Gulf producers invest more heavily in routes that reduce dependence on Hormuz, exporters with access to reliable terminals outside the Strait could gain an advantage when buyers place greater value on delivery certainty.

That could be particularly important for East Africa and South Asia, where Gulf-origin bitumen remains commercially significant. Buyers in those markets may increasingly compare suppliers not only by FOB price and grade but also by whether the export route remains functional during regional disruptions.

A second export gateway can therefore have value even if it carries only part of a supplier's normal volume. The objective is not necessarily to replace Hormuz completely but to prevent a single maritime chokepoint from determining whether every cargo can move.

This is the central significance of the UAE's latest policy shift. The country is moving from using existing bypass infrastructure toward structurally expanding the ports, pipelines and commercial corridors that can keep trade operating outside Hormuz.

For the bitumen industry, however, the distinction must remain clear. General infrastructure resilience creates opportunity, but bitumen needs its own logistics system before that opportunity becomes physical export capacity.

If future investment adds heated storage, dedicated loading facilities and reliable road connections to the UAE's expanding eastern-port network, Fujairah and other locations outside Hormuz could play a much larger role in regional bitumen trade.

Until then, the UAE's expanding bypass network should be viewed as an increasingly valuable platform rather than a complete bitumen solution. The infrastructure can reduce the country's exposure to Hormuz, but turning that strategic advantage into a reliable alternative route for bitumen will require another layer of specialized investment.



Saudi Arabia's Key Hormuz Bypass Goes Offline After Drone Attack on East–West Pipeline

According to WPB, Saudi Arabia has temporarily shut its strategic East–West Pipeline following multiple drone attacks, taking one of the Middle East's most important alternatives to the Strait of Hormuz out of operation at a critical moment for regional energy logistics. The shutdown affects the system that carries crude from eastern Saudi Arabia across the Kingdom to the Red Sea coast, allowing exports to reach Yanbu without passing through Hormuz.

Saudi Arabia's Ministry of Energy confirmed that the pipeline was targeted in the Riyadh and Madinah regions on the morning of September 10. The system was subsequently shut as a precaution while emergency and technical teams secured the affected facilities, assessed their condition and began examining the damage. Several people were injured in the attacks and received medical treatment.

No timetable has yet been announced for restarting the pipeline. Saudi authorities have also not disclosed the full extent of the technical damage, making it impossible at this stage to determine how long the interruption will last or precisely how much export capacity will be unavailable.

The East–West system, also known as Petroline, stretches approximately 1,200 kilometres across Saudi Arabia and connects the Kingdom's oil-producing east with Yanbu on the Red Sea. Its nominal capacity is commonly estimated at around 7 million barrels per day, giving Saudi Arabia a large land-based route for moving crude without relying on the Strait of Hormuz.

That role has become considerably more important during the current Middle East conflict. As normal shipping through Hormuz became increasingly difficult, Saudi Arabia increased the use of the East–West route to redirect crude toward the Red Sea, turning the pipeline from strategic backup infrastructure into an important part of day-to-day export operations.

The latest attack therefore changes the geography of the current energy disruption. Until now, much of the market's attention had been concentrated on maritime chokepoints, particularly Hormuz and increasingly Bab el-Mandeb, while Saudi Arabia's cross-country pipeline offered a way to reduce direct exposure to the Gulf shipping crisis.

The temporary shutdown means that this layer of protection is now itself under pressure. Saudi Arabia has not lost all export capability, but its ability to shift large crude volumes away from Hormuz and toward Yanbu has become more constrained until the pipeline is assessed and returned to service.

A second official Saudi statement added an important security dimension to the incident. Riyadh said several drones used in the attack had been launched from Iraqi territory and caused injuries and material damage at facilities along the pipeline.

Saudi Arabia has nevertheless chosen not to respond militarily at this stage following a request from the Iraqi prime minister to allow Baghdad time to take measures against attacks originating from its territory. Riyadh stressed that it retains the right to take the measures necessary to protect its sovereignty, population and critical infrastructure.

Iraq has condemned the attack and opened an investigation into its origin. At the time of publication, however, no group has been conclusively identified as the direct perpetrator, and the fact that the drones were launched from Iraqi territory should not be interpreted as proof that the Iraqi government was involved.



This distinction is particularly important because the incident introduces another layer of uncertainty into an already fragile regional energy system. The immediate issue is the pipeline outage, but the longer-term concern is whether infrastructure designed specifically to reduce dependence on vulnerable maritime routes can itself remain protected from aerial attacks.

For Saudi Arabia, the East–West Pipeline has long served as a strategic insurance policy against disruption in Hormuz. Crude can move from the eastern production system across the country and reach Yanbu, where it can enter the Red Sea and international markets without travelling through the Strait.

The value of that infrastructure increased sharply once Hormuz became less reliable. The pipeline allowed Saudi Arabia to redirect substantial volumes westward and preserve greater export flexibility than Gulf producers that remain almost entirely dependent on the Strait.

Its temporary loss does not mean Saudi crude exports will stop, but it reduces the number of options available to Aramco and the Kingdom's energy system. Export scheduling may have to be adjusted depending on the duration of the shutdown, available inventories, the condition of affected pumping facilities and the amount of crude that can be handled through other routes.

Yanbu is particularly important in this calculation. The Red Sea port has become a major outlet for crude redirected away from Gulf terminals, and its ability to receive large volumes from eastern Saudi Arabia depends heavily on the East–West connection.

If the shutdown is short, the commercial impact may remain manageable through inventories and operational adjustments. A prolonged interruption would be more significant because it could restrict Saudi Arabia's ability to sustain high westbound crude flows precisely when alternative routes are carrying greater strategic importance.

The incident also exposes a wider weakness in the idea that bypass infrastructure can fully insulate energy exports from geopolitical disruption. A pipeline removes dependence on one maritime chokepoint, but it creates a chain of pumping stations, transfer facilities and terminals that must remain operational across hundreds of kilometres.

This means the security calculation is no longer limited to whether tankers can cross Hormuz safely. Markets must increasingly consider whether the infrastructure feeding alternative ports can operate reliably and whether Red Sea shipping routes themselves remain commercially accessible.

The timing makes that problem particularly sensitive. Saudi Arabia has been using the Red Sea as an alternative outlet during the Hormuz disruption, while instability around Bab el-Mandeb has simultaneously increased concerns over the southern entrance to the same sea.

The combination creates a more complicated logistics picture. Crude moved successfully to Yanbu still requires a commercially viable route from the Red Sea to its destination, while the temporary loss of Petroline limits the amount of eastern Saudi crude that can be redirected there in the first place.

For crude markets, the immediate variables are therefore operational rather than simply geopolitical. The duration of the shutdown, the condition of pumping stations, the speed of repairs and the eventual restoration of flows will determine whether the incident remains a temporary disruption or develops into a meaningful constraint on Saudi export flexibility.

The consequences for the bitumen and asphalt industry are less direct but still important. There is currently no evidence that the pipeline attack has caused a specific reduction in Saudi or regional bitumen production, and the shutdown should not be presented as proof of a bitumen supply loss.



Polish Bitumen Supply Surge Pushes Central Europe Deeper Into Surplus

According to WPB, Central Europe's bitumen market is moving deeper into surplus as higher refinery output in Poland and the Czech Republic meets demand that has been slow to recover from the summer slowdown. The imbalance has pushed regional prices toward six-month lows and could increase competition for export markets as Polish suppliers seek additional outlets for available material.

Polish domestic truck bitumen was assessed at around €530/MT ex-works on September 4, its lowest level since March 13. Czech domestic truck prices were around €545/MT ex-works during the same period, reaching their weakest level since March 6.

The decline reflects a combination of sluggish demand and increased refinery availability. Higher bitumen production from Płock in Poland and Litvínov in the Czech Republic during the previous two months has added material to a market where road-paving activity has not recovered quickly enough to absorb the additional volumes.

More stable availability of Middle Eastern sour crude has also supported refinery operations in the region. Changes in crude availability are particularly relevant to bitumen because the type of feedstock and the way heavy fractions are processed can influence how much residual material ultimately becomes available for binder production.

Płock has now become an important variable for the next stage of the market. Planned maintenance started at the refinery on September 2 and includes work affecting crude distillation and hydrocracking operations.

Rather than necessarily reducing bitumen availability, the maintenance could result in more vacuum residue becoming available for binder production. Vacuum residue is an important feedstock for bitumen manufacturing, and changes in the amount directed toward upgrading units can alter the volume available for road-bitumen production. This creates an unusual situation in which refinery maintenance could reinforce rather than relieve the existing surplus. If additional heavy residue is directed toward bitumen, Polish producers will need either stronger domestic consumption or additional export demand to absorb the resulting material.

Poland is already one of the major bitumen supply centres in Central and Eastern Europe. Production facilities at Płock, Gdańsk and Trzebinia serve domestic customers as well as international markets, giving Polish suppliers considerable reach across neighbouring countries.

Germany is one of the most logical destinations for additional Polish material because of its proximity and large road-construction market. Increased Polish availability could strengthen competition in eastern Germany, where transport distances from Polish production centres remain commercially manageable.

Romania is another potential outlet, particularly where infrastructure and road programmes sustain demand for paving-grade bitumen. Ukraine could also absorb part of the additional availability as infrastructure requirements continue to create demand for imported material, although actual flows will depend on transportation economics, border capacity and project activity.

Poland exported around 83,000 tonnes of bitumen during the first half of 2026, compared with approximately 100,000 tonnes during the same period of 2025 and 90,000 tonnes in the first half of 2024. The figures indicate that exports had been running below the previous two years before the latest increase in domestic availability.

That leaves room for a stronger export push during the remainder of the paving season. If inventories continue to build, suppliers may have greater incentive to compete for buyers in surrounding markets rather than allow excess material to remain at domestic production centres.

The Czech market could partially counter this pressure. Litvínov is expected to prioritize domestic requirements and reduce the amount available for export as Czech road demand gradually recovers from its summer slowdown.

Lower Czech export availability could absorb some of the regional impact of higher Polish production. Current supply conditions, however, indicate that the Polish increase could still be large enough to keep the broader Central European market well supplied.



For buyers, the surplus creates greater sourcing flexibility. Multiple supply options and weaker competition for available volumes improve negotiating conditions, while sellers face greater pressure to place material before seasonal road demand begins declining again.

The relationship between vacuum residue and bitumen production is particularly important in the current environment. Road bitumen is commonly produced from heavy residues remaining after crude distillation, and the amount of this material directed toward bitumen depends on refinery configuration, product economics and the availability of alternative processing routes.

Maintenance can temporarily change this balance. When certain upgrading units operate at reduced capacity, material that would otherwise undergo further processing can become available for alternative uses, including bitumen production.

That is why the Płock maintenance programme deserves attention from the European bitumen market. Its significance does not come simply from the fact that a refinery is undergoing maintenance, but from how that maintenance could change the internal flow of heavy refinery components.

The market is also entering a sensitive seasonal period. European road-paving activity can decline quickly as temperatures fall and weather conditions become less suitable for asphalt work, reducing the amount of time suppliers have to clear excess inventories.

If demand fails to strengthen before that seasonal decline begins, additional Polish supply could exert further pressure on nearby markets. Germany, Romania and Ukraine will therefore be important indicators of how successfully Polish producers can redistribute excess material.

Regional price differences will determine how far the product can economically travel. A lower ex-works price does not automatically make Polish bitumen competitive in more distant markets because transportation costs must be added before the material reaches the buyer.

For the asphalt industry, lower bitumen prices can provide some relief to material costs, particularly for contractors entering the final part of the paving season. The benefit will vary between markets because transportation expenses and local supply conditions can create significant differences between refinery and delivered prices.

A prolonged surplus could also affect purchasing behaviour. Buyers with sufficient storage and project visibility may delay commitments in anticipation of more competitive offers, adding another layer of pressure to a market already struggling to absorb supply.

Producers, meanwhile, must balance inventory management against the economics of alternative heavy refinery products. If bitumen values weaken too far relative to other outlets for residual material, the incentive to maximize binder production could eventually diminish.

The next several weeks will therefore provide a clearer indication of whether Central Europe is moving toward a sustained surplus or experiencing a temporary imbalance. Polish export volumes, Płock production, Czech domestic consumption and regional road activity will be among the most important indicators.

For now, the evidence points to abundant availability rather than shortage. Poland has more material entering the market, Czech supply remains substantial and the approaching end of the paving season gives producers a narrowing window in which to move inventories.

If additional vacuum residue becomes available from Płock as expected, the pressure could extend beyond Poland through stronger exports into neighbouring markets. Until demand catches up or refinery production adjusts, Central Europe is likely to remain one of the more competitively supplied bitumen markets heading into the final stage of the 2026 paving season.

Global Bitumen Market Intelligence

Political, Economic, and Scientific Analysis

WPB Last 2 weeks of September, 2026

Political Analysis

1. Hormuz Risk Turns into a Diplomatic Problem

The Strait of Hormuz remains the central political fault line for bitumen and petroleum trade. Gulf governments and Iran are exploring a temporary shipping framework, while claims about vessel targeting and unauthorized routes have raised the political cost of every transit decision. The practical issue is no longer only whether the waterway is open; it is whether carriers, insurers, and port authorities can agree on a passage regime that is predictable enough for commercial cargoes.

That distinction is critical for bitumen because cargoes are often sold on narrow margins and fixed delivery windows. A vessel that technically can pass may still be commercially unusable if the crew, insurer, or terminal cannot confirm the same risk assessment. The result is a widening gap between nominal route availability and dependable trade capacity. Buyers may have to accept longer voyages, split volumes across more than one origin, or pay for additional security and contingency storage simply to preserve a delivery promise.

2. Washington Links Energy Trade to Tariff Power

The U.S. House has advanced authority for tariffs of up to 100 percent on major buyers of Russian energy. India has responded by emphasizing energy security, making the measure a diplomatic test as well as a sanctions instrument. For bitumen, the risk is a wider compliance map: buyers may have to price not only the material and freight, but also the political exposure attached to its origin and financing.

The measure could also redirect demand toward non-Russian grades and suppliers, tightening some regional balances. Its final effect will depend on implementation, exemptions, and how banks and shipping companies interpret indirect exposure. Even before formal tariffs apply, compliance departments may discourage transactions that appear politically exposed. That behavior can fragment trade, widen regional price differences, and make a technically competitive Russian-linked cargo unattractive once financing, insurance, and documentation costs are included.

3. Saudi Infrastructure Becomes a Regional Security Issue

Drone attacks that forced the East–West Pipeline offline showed how quickly a bypass route can become a strategic target. Saudi Arabia's effort to restart part of the system and its return to higher crude exports demonstrate the importance of protected alternatives to Hormuz. The episode also places bitumen logistics inside a wider security conversation involving pipelines, ports, naval protection, and emergency routing.

The restart timetable therefore matters beyond Saudi Arabia's crude balance. Each day of reduced bypass capacity increases the premium on Gulf storage, alternative ports, and vessels willing to accept elevated security conditions. It also reveals the engineering vulnerability of a system that relies on a small number of strategic corridors. For bitumen, the practical response is to map substitute loading points, verify heating and storage capacity, and maintain contracts that can shift volume without renegotiating every operational detail.

4. A Gulf Rebuild Fund Signals a New Energy Strategy

A proposed U.S.-backed fund of roughly $10 billion would support reconstruction of damaged Gulf energy infrastructure and reduce reliance on the Strait. The political significance is larger than the funding headline: Washington is signaling that resilience may require permanent investment in ports, pipelines, storage, and alternative export corridors. Such a program could gradually reshape the geography of heavy-product trade.

For the bitumen industry, the opportunity would be long term rather than immediate. New infrastructure must be designed for heated heavy products, segregated storage, and reliable inland connections before it can materially change trade flows. The fund could also support monitoring systems, emergency power, and berth upgrades that reduce waiting time. Without those technical elements,

nal customers. Consistent penetration, softening point, and temperature handling are often as important as nominal output when competing in export markets. A technically upgraded plant can reduce off-specification claims, improve batch scheduling, and support contracts with stricter pavement requirements. That makes modernization valuable not only for volume growth, but also for building trust with contractors and international distributors.

2. Refinery Reliability Is the Core Supply Variable

The shutdown of Moscow refinery capacity places a large Russian bitumen source at risk, while the Natref disruption in South Africa has already affected production and product supply. These events underline a technical reality: bitumen availability depends on specific refinery units and residue-handling configurations. A single outage can remove a meaningful volume even when crude is available elsewhere.

The lesson for buyers is to diversify by unit and location, not only by trading company. Contingency plans should identify substitute grades, alternate loading points, and the qualification work required before a replacement can enter a road project. This preparation is especially important when a refinery outage is sudden: technical approval, sampling, and transport bookings can take longer than the physical shortage itself. Resilient procurement is therefore a prequalified network, not a last-minute search for a seller.

3. Pipeline Bypasses Need Dedicated Bitumen Logistics

New ports, pipelines, and alternative corridors outside Hormuz can restore crude movement, but they do not automatically solve bitumen distribution. Bitumen needs heated storage, temperature-controlled transfer, suitable tankers, and loading systems that prevent quality loss. The UAE corridor strategy is therefore technically useful only when paired with specialized terminals and scheduling capacity.

Temperature management is especially important because cooling can create loading delays, pumping problems, and quality disputes. A bypass therefore needs engineering standards for tanks, lines, heating systems, and emergency power—not simply additional geography. Terminal operators must also plan for cleaning, grade segregation, and safe transfer procedures. If those systems are missing, a new route may move crude efficiently while failing to move road bitumen at the required quality and throughput.

4. Road Construction Demand Tests Supply Systems

India's post-monsoon road cycle is a real-world stress test for procurement, storage, and quality control. Rising road awards can absorb available grades faster than refineries can replenish them, especially when transport is disrupted. The technical lesson is that project continuity depends on buffer stocks, approved substitutes, and laboratory verification—not just on nominal production capacity.

Quality assurance becomes harder when material is sourced from multiple origins. Clear acceptance testing, traceable certificates, and rapid dispute procedures help contractors protect pavement performance while keeping work moving through a volatile supply period. A project should define in advance which grades and blending practices are acceptable, who performs the tests, and how a failed batch is isolated. That technical governance prevents a supply emergency from becoming a long-term pavement defect.

5. Market Data Must Separate Paper and Physical Conditions

The September price pattern shows why futures, inventory, export data, and refinery runs should be read together. China's move higher despite softer crude and the global gap between headline prices and physical tightness both point to a measurement problem when one indicator is used alone. A robust technical dashboard should combine stock levels, vessel movements, refinery utilization, grade availability, and delivered freight.

The same discipline improves forecasting. Analysts can avoid false signals by separating financial momentum from actual cargo availability and by treating each regional balance as a distinct system connected by freight rather than as one global price. A useful dashboard should combine inventories, refinery utilization, vessel line-ups, export nominations, grade differentials, and delivered freight. That approach gives decision-makers an earlier warning when a paper-market move is not yet supported by physical trade.

6. Resilience Requires Engineering, Not Only Rerouting

The week's events point toward a broader engineering agenda: redundant pipelines, protected ports, heated storage, modular loading systems, and better vessel-tracking data. Alternative routes are valuable only when they can carry the right grade at the required temperature and

throughput. In practical terms, the bitumen sector is moving from route optimization toward resilience-by-design.

The investment case is therefore broader than emergency route premiums. Redundancy lowers the probability of a complete stoppage, shortens recovery time, and gives buyers more bargaining power when one corridor or refinery fails. It also supports better maintenance planning: operators can take units offline without immediately exhausting regional supply. Over time, resilience-by-design should reduce extreme freight spikes, stabilize project scheduling, and make the bitumen market less dependent on a single chokepoint or production asset.

Port-Wise Price Analysis

PORT-LEVEL PRICE INTELLIGENCE | 60/70 BITUMEN

Iran

CURRENT RANGE	AVG. BASE CASE	OUTLOOK	VOLATILITY
$320-$395/MT	+0.9%	MODESTLY FIRM	MODERATE

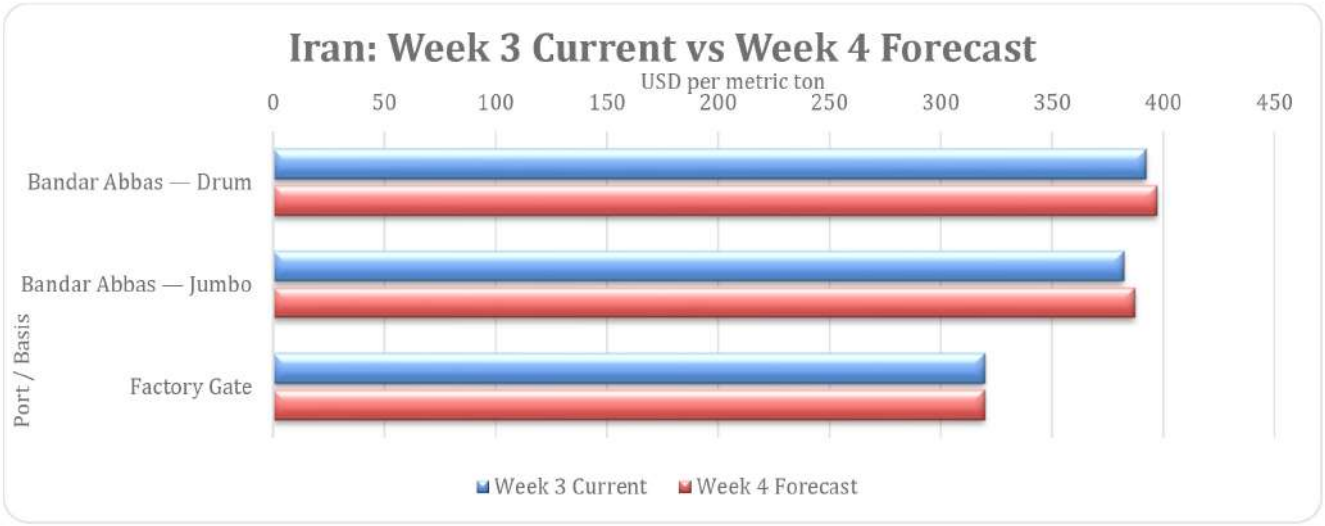
PORT-LEVEL PRICE MATRIX

PORT / BASIS	GRADE	W3 CURRENT USD/MT	W4 FORECAST USD/MT	Δ USD/MT
Bandar Abbas FOB Bandar Abbas	60/70 Drum	390-395	395-400	+5
Bandar Abbas FOB Bandar Abbas	60/70 Jumbo Bag	380-385	385-390	+5
Factory Gate EXW factory	60/70 Flexi Bag	320 ±5	320 ±5	Flat

Source: BitumenMag, Week 3 of September 2026. Week 4 figures are base-case forecasts derived from current port spreads, replacement cost, freight, feedstock availability, and execution risk; they are not quoted market offers.

MARKET INTELLIGENCE

Iran's export structure remains split between a firm port-delivered drum market, a slightly cheaper jumbo-bag channel, and a materially lower factory-gate flexi-bag indication. That spread is not a simple packaging premium: it captures heating, filling, handling, inland transfer, sanctions friction, and the availability of vessels willing to load at Bandar Abbas. The base case for Week 4 is another measured rise in the two FOB export grades as regional replacement costs and war-risk logistics remain elevated. Flexi bag is forecast flat because its EXW basis isolates it from part of the port and freight premium. The risk is asymmetric: any improvement in vessel access could compress the FOB premium quickly, while a new loading restriction would widen the gap between factory and port values. Buyers should therefore compare the full delivered cost, not substitute the flexi-bag number for an export-ready cargo.



Port-Wise Price Analysis

PORT-LEVEL PRICE INTELLIGENCE | 60/70 BITUMEN

India

CURRENT RANGE	AVG. BASE CASE	OUTLOOK	VOLATILITY
$595-$719/MT	+1.4%	MODESTLY FIRM	MODERATE

PORT-LEVEL PRICE MATRIX

PORT / BASIS	GRADE	W3 CURRENT USD/MT	W4 FORECAST USD/MT	Δ USD/MT
Chennai CFR Chennai	60/70 Drum	688 ±5	696 ±5	+8
Cochin CFR Cochin	60/70 Drum	625 ±5	635 ±5	+10
Haldia CFR Haldia	60/70 Drum	700 ±5	710 ±5	+10
Mundra CFR Mundra	60/70 Drum	595 ±5	603 ±5	+8
Kandla CFR Kandla	60/70 Drum	630 ±5	638 ±5	+8
Nhava Sheva CFR Nhava Sheva	60/70 Drum	645 ±5	653 ±5	+8
Tuticorin CFR Tuticorin	60/70 Drum	691 ±5	699 ±5	+8
Kolkata CFR Kolkata	60/70 Drum	719 ±5	731 ±5	+12

Source: BitumenMag, Week 3 of September 2026. Week 4 figures are base-case forecasts derived from current port spreads, replacement cost, freight, feedstock availability, and execution risk; they are not quoted market offers.

MARKET INTELLIGENCE

India has the widest port dispersion in the regional set, from Mundra at the low end to Kolkata at the high end. That spread reflects more than distance: it captures refinery allocation, coastal freight, local inventory, monsoon-related timing, and differences in the availability of packed material. The Week 4 forecast raises every port, but the largest increases are reserved for Cochin, Haldia, and Kolkata, where replacement risk and prompt demand are more acute. The lower-priced western ports should still firm because a tight national balance limits the ability of buyers to arbitrage indefinitely. The principal risk is a post-monsoon demand surge arriving faster than refineries and distributors can replenish stocks. A better supply response would flatten the curve; a logistics disruption would widen it. Procurement teams should compare delivered project cost by port and secure coverage before road awards translate into immediate physical demand.

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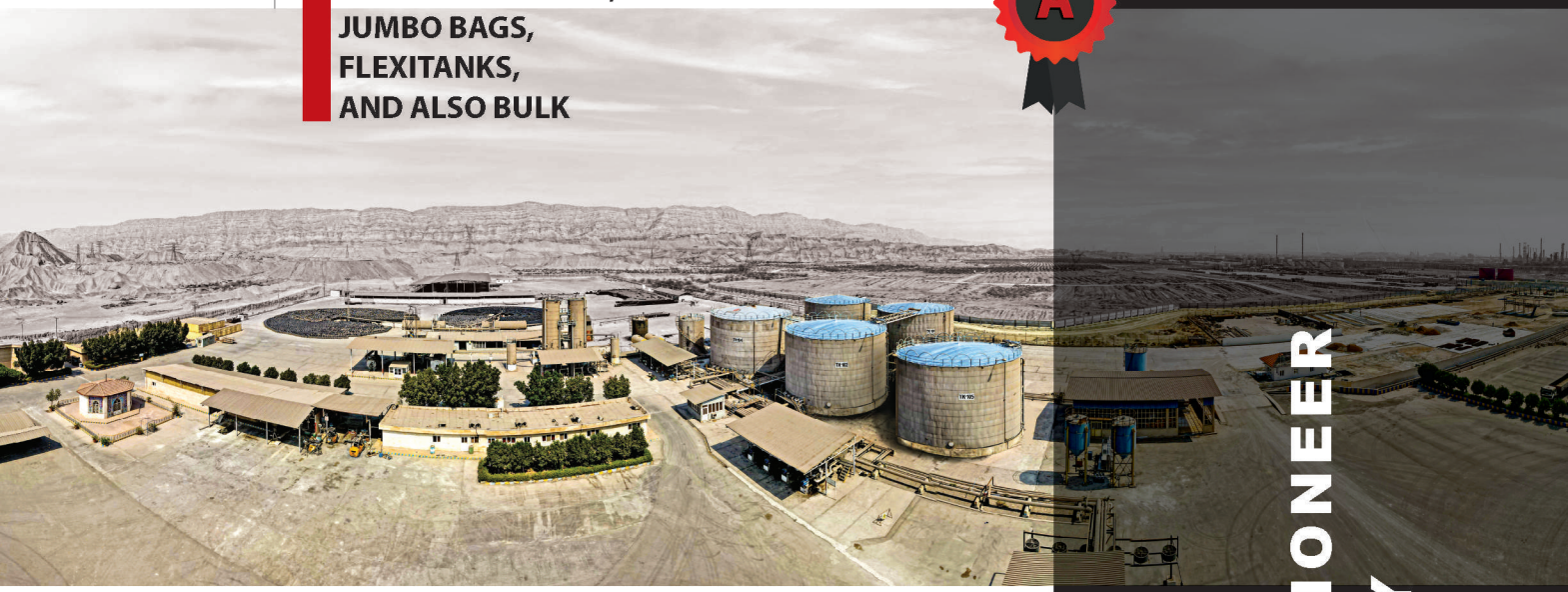


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