

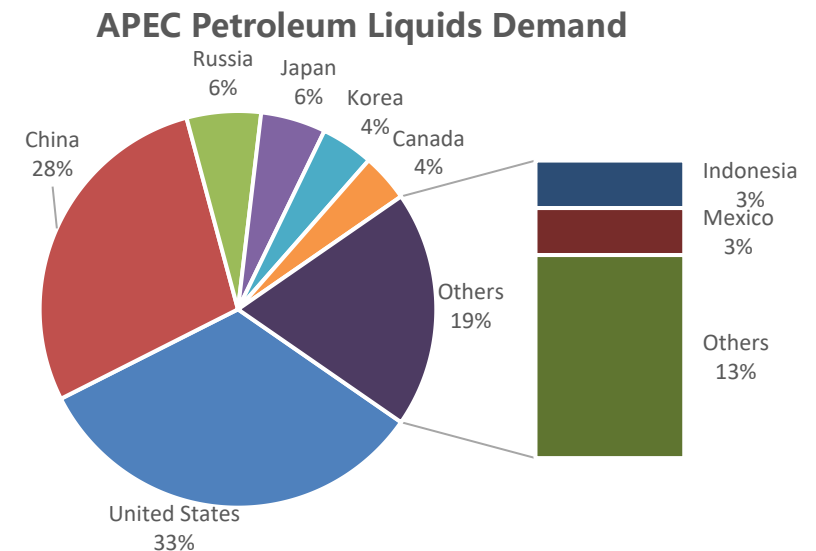
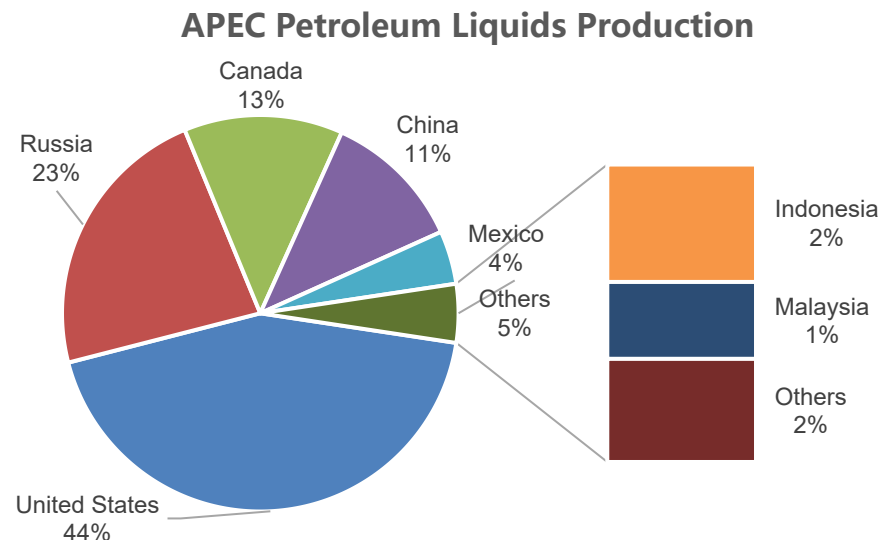
Update on OIL AND GAS SECURITY *in People's Republic of China*

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Most members of APEC are highly dependent on external oil supplies

People's Republic of China

- Although APEC produces 45% of the world's oil, its demand exceeds 60 million barrels per day—over 60% of global consumption.
- Oil distribution is uneven: exporters like Russia, the U.S., and Canada contrast with import-dependent members such as Japan and South Korea.
- The Middle East, accounting for 23% of global oil exports, remains a key supplier but faces conflict risks.



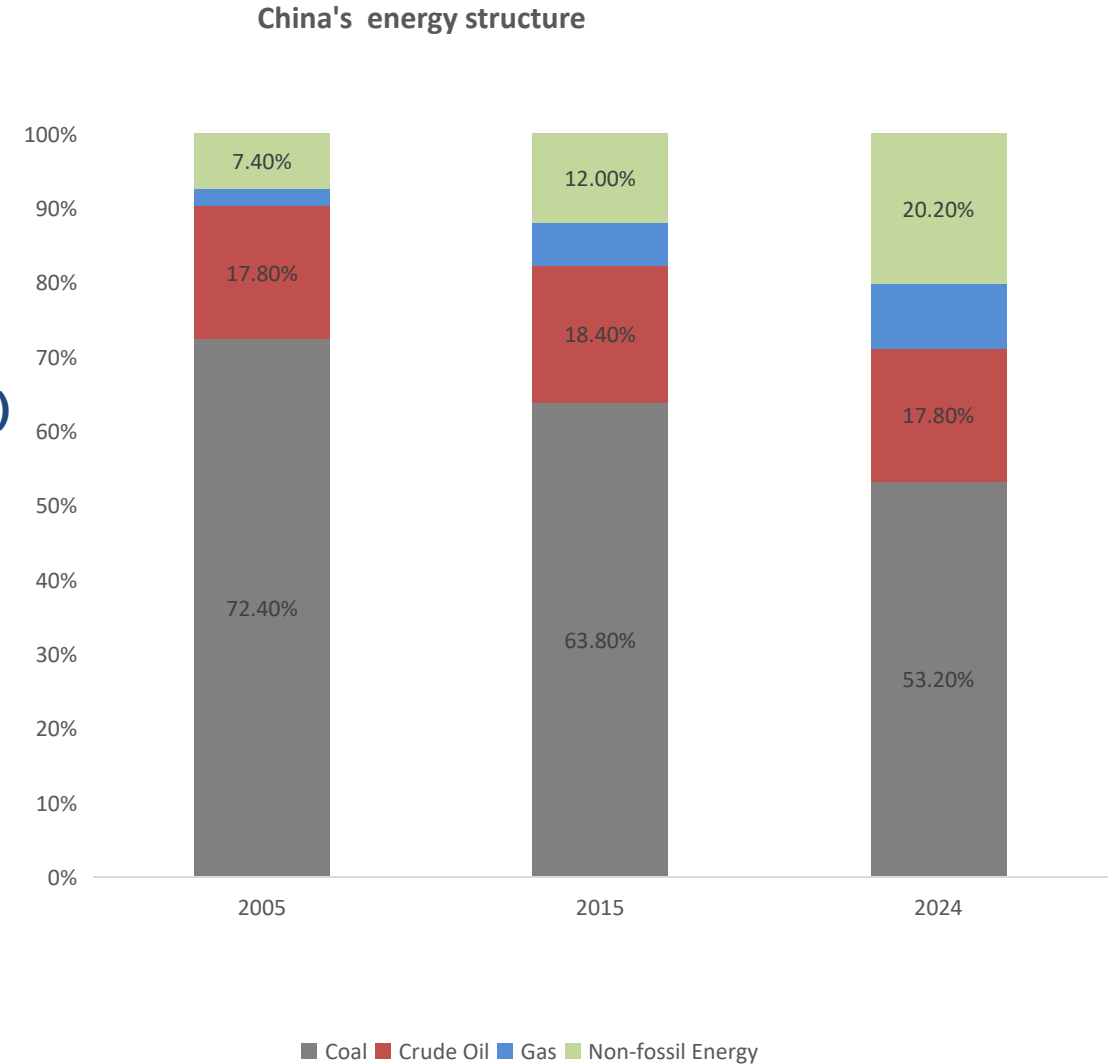
China continues to optimize its energy mix

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- Natural gas share rose from 2.4% to 8.8%
- Oil remains around 18%
- Non-fossil energy grew from 7.4% to 20.2%

By end-2024:

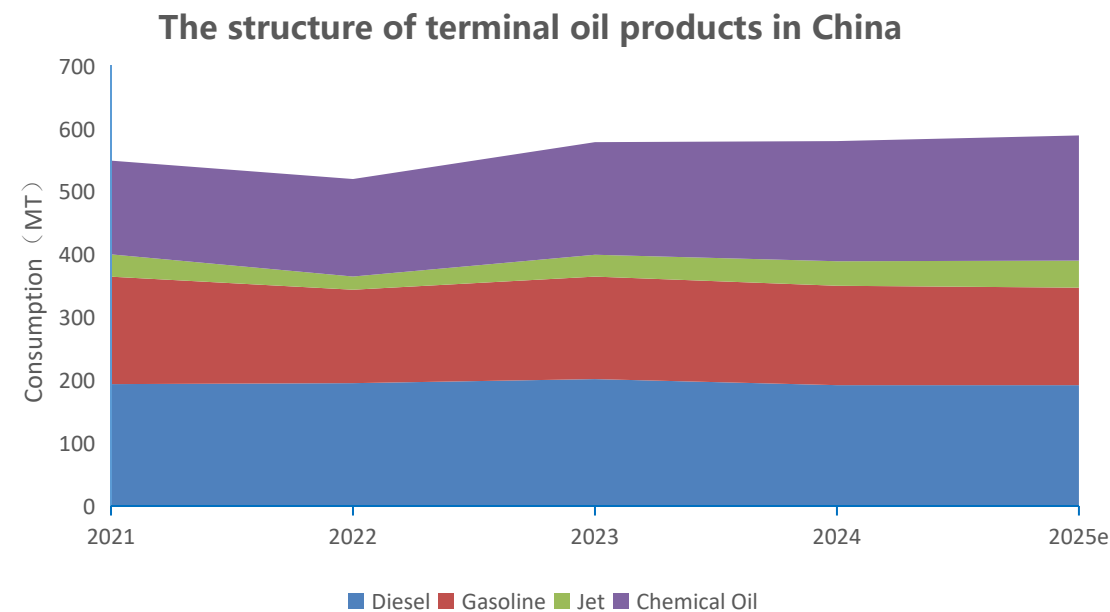
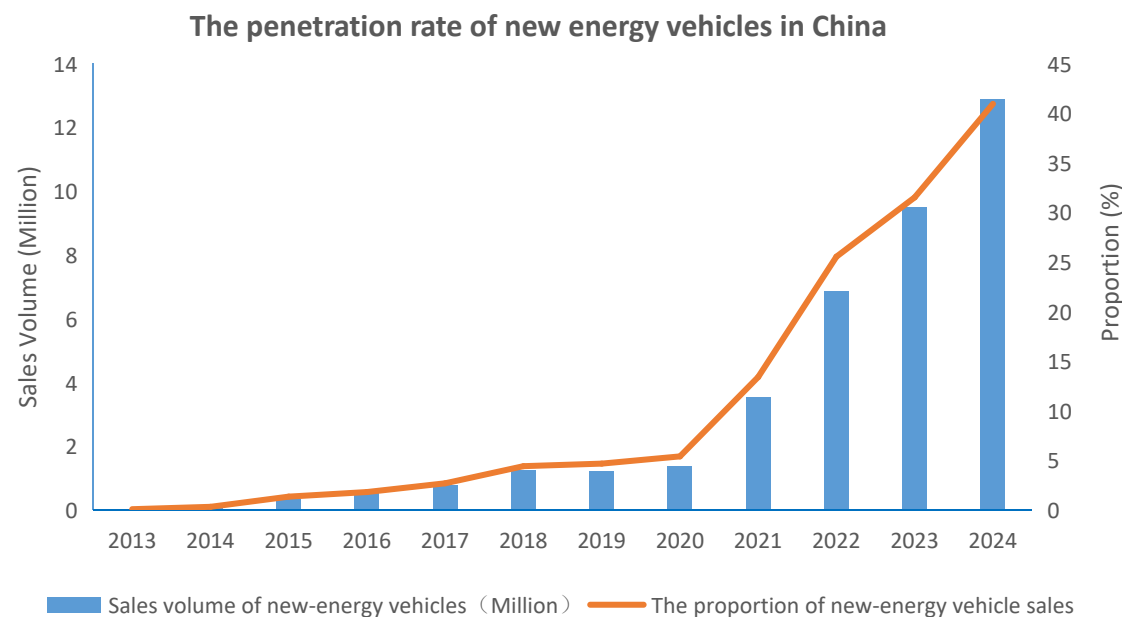
- - Total renewable power capacity: 1.89 billion kW (56%)
 - - Solar power: 890 million kW
 - - Wind power: 520 million kW



Oil use in road transport is declining

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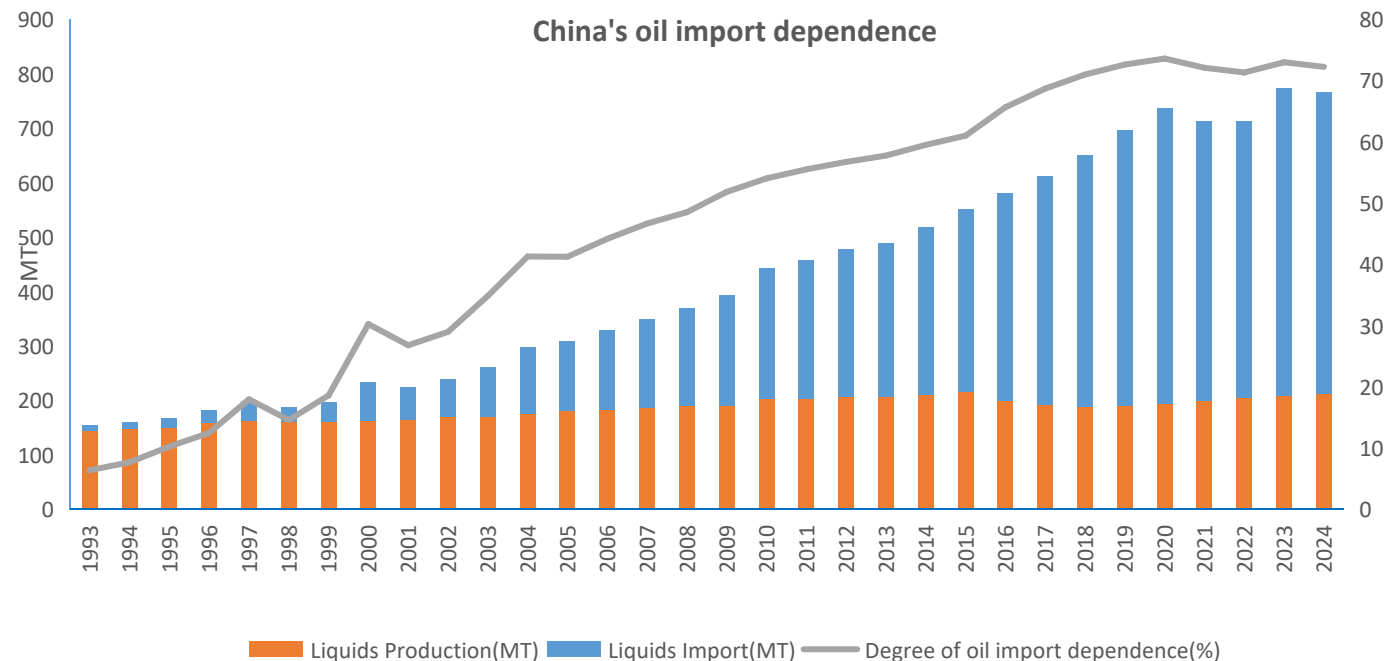
- Shift from road to rail and waterways is cutting diesel use.
- - LNG trucks: ~1 million by 2024, replacing ~20M tons of diesel in 2024
- - NEVs: over 30 million by 2024, saving ~25M tons of gasoline in 2024



Crude oil imports remain within 11M b/d

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- Upstream investment since 2019 exceeds RMB 350B/year. Reverse the domestic production downward trend.
 - Output has stabilized above 4.0M b/d.
 - Import dependence remains ~70%.
 - Due to resource limits, China will stay the top oil importer long-term.



China is mitigating risks via strategic corridors

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Completed pipelines:

- China-Kazakhstan (400 kb/d)
- China-Russia (600 kb/d)
- China-Myanmar (440 kb/d)

China-Pakistan pipeline is underway

- 80% of imports come by sea; less than 50% via Chinese tankers, and Most need to pass through the Strait of Malacca
- P&I insurance is dominated by non-APEC members, despite APEC' s oil trade share (above 50%)



China's onshore oil import corridor construction

China has developed significant reserves

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- Completed Phase III strategic reserves since 2000.
- Set up crude oil commercial storages system.

One Example: over 5.0 million m³ .



over 5.0 million cubic meters of crude oil commercial reserve bank

Oil supply security is a shared challenge among APEC economies.

Strengthening cooperation is key to building a secure, stable, and sustainable supply system.

Proposed Initiatives:

- **Foster dialogue and collaboration between oil-producing and oil-consuming countries to help stabilize the market.**
- **Diversify the energy mix by scaling up solar and wind power.**
- **Accelerate the adoption of new energy vehicles to reduce reliance on gasoline and diesel.**

THANK YOU

