

III Fuel oil industry in China

III-1 Production of fuel oil in China

III-1.1 Overview of fuel oil industry

All the time, Chinese fuel oil production can't meet the demand of domestic market, about 50% of fuel oil in domestic market is imported.

In 2006, the output of Chinese fuel oil was 22,647 kilotons. The CAGR (compound annual growth rate) of fuel oil production was -2.37% from 1991 to 2006. This means that the output of Chinese fuel oil has decreased since 1991 gradually. The decreasing trend is obvious from the following Figure.

Figure III-1.1-1 the output of fuel oil in China from 1991 to 2006

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Table III-1.1-1 List of the production in major province in China

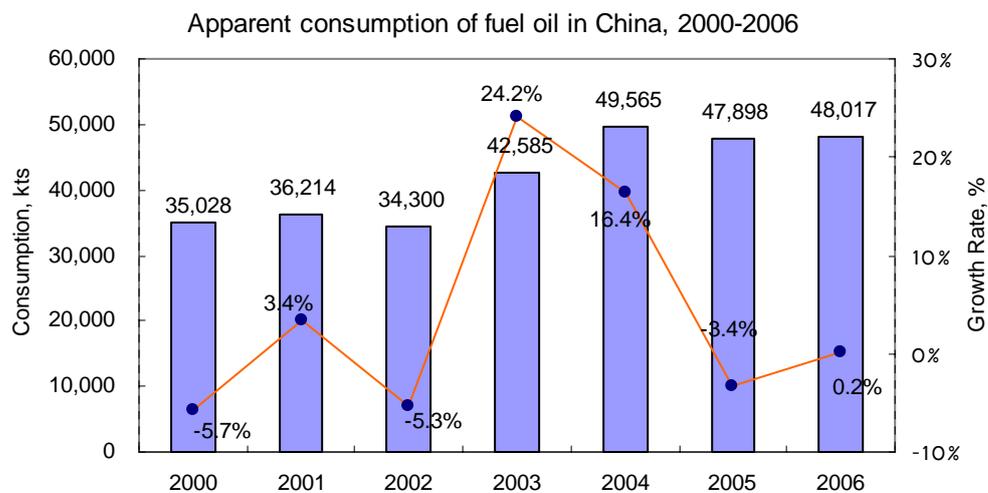
Provinces	Output'06	Output'05	Growth rate
██████	██████	██████	██████
██████	██████	██████	██████
██████	██████	██████	██████
██████	██████	██████	██████
██████	██████	██████	██████
Others	5,405,600	5,623,191	-3.87%
Total	22,647,000	24,169,691	-6.30%

III-4.3 Apparent consumption of fuel oil in China

- Consumption volume

China is the largest consumer of fuel oil in Asia, and fuel oil is mainly consumed in electricity industry, petrochemical industry, transportation, building materials and metallurgy and so on, and the rest is consumed by small local domestic petroleum refineries for further processing to produce diesel etc.

Figure III-4.3-1 Apparent consumption of fuel oil in China in 2000-2006



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III-3 Import & export of fuel oil in recent in China

Fuel oil is one of China's petrol chemical products, which has high commercialization degree in the market. Since Jan. 1st, 2004, China has canceled the import and export quota of fuel oil.

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Table III-3.1-1 Import volume of fuel oil in the past 15 years

Year	Import volume, 10,000 t	Growth rate, %
1992	202.07	69.7
1993	456.4	125.86
1994	462.18	1.27
1995	659.14	42.62
1996	942.4	42.97
1997	1371.05	45.48
1998	1625.9	18.59
1999	1756.99	8.06
2000	1480.2	-15.75
2001	1823.58	23.20
2002	1650.31	-9.50
2003	2378	44.09
2004	██████	██████
2005	██████	██████
2006	██████	██████