

**CHINA'S SECRETS ARE REVEALED:  
SACROSANCTITY IS AN ARCHAIC CONCEPT IN TODAY'S WORLD**

The days appear to be over when statistics about the growth, or the lack of it, in respect of the economy of the People's Republic of China (PRC) can remain a State Secret and people can be jailed for revealing these 'secrets'.

In today's world, economic intelligence has reached such a level of sophistication that interpolation and extrapolation of seemingly innocuous statistics can result in definitive conclusions being made, conclusions that are undeniable.

Recently, it has been determined that the PRC has become a net exporter of oil products – and that its industrial activity is waning.

Officially, one reads from the official PRC propaganda mill that the opposite is true.

But the statistics are difficult to be declared as being untrue.

In the month of July, the PRC's oil demand fell by about 2.10 percent, Year-On-Year.

This determination is based on the implied demand on the basis of crude-oil throughput volumes at the country's domestic refineries and net oil imports extracted from official releases, compiled by the PRC's National Bureau of Statistics and the Customs Administration, without taking into account undeclared provisions of historical data from both official sources.

Oil demand in the PRC in July was about 40.63 million metric tonnes, which can be translated into about 9.61 million barrels per day.

Month-On-Month, that implied statistic in respect of apparent oil demand was a 6.20-percent fall from the 10.25 million barrels per day, recorded with regard to the input, during the month of June.

Ergo: The July statistic reversed the positive growth in June of imports of crude oil into the country.

Since it must follow, logically, that the PRC did not require the level of the quantity of June oil imports, then it must be determined that something was amiss in the country.

It is fact that the PRC, in the month of July, exported about 450,000 metric tonnes of oil products, according to the Customs Administration's official statistics.

Also, in the month of July, the PRC reduced imports of jet fuel and fuel oil and, at the same time, increased exports of other oil products, such as petrol and gasoil.

The accepted definition of the term, '*gasoil*', is a family of heavy oils, used for heating and automotive applications, diesel fuel, being one such application.

The conclusion that one may extrapolate from this situation is that there was considerably higher demand for domestic production of jet fuel and petrol and, by the same token, suggesting a weakening demand for gasoil and fuel oil.

Still on the subject of the PRC's exports of oil products, as gleaned from official statistics, compiled from The National Bureau of Statistics and the Customs Administration, imports of oil products, during the month of July, fell by about 42.80 percent, Year-On-Year, to about 1.86 million metric tonnes.

At the same time, exports of oil products rose by about 13.80 percent, to 2.31 million metric tonnes.

Thus, one again, there is an overwhelming, undeniable and uncontestable suggestion about the PRC economy; and, one can only conclude that the PRC is undergoing a material industrial slowdown, generally.

Supporting this conclusion can be found in comparing the PRC's apparent oil demand in respect of the first seven months of 2014 with that of the like period in 2013.

Again, referring to the statistics, compiled by The National Bureau of Statistics and the Customs Administration, from January to July 2014, the PRC's apparent oil demand rose about 0.10 percent to 9.86 million barrels per day.

This compared with the apparent oil demand, during the January to July 2013 period, which saw a four-percent increase.

Further, the apparent oil-demand growth of 0.10 percent, in respect of the first seven months of 2014, was the slowest rate of growth, going back at least to the 2005 year.

The above statistics, having made the case of the very apparent decline in the economy of the PRC – and that decline is, perhaps, steeper than one had, hitherto, imagined – it is noted, also, that the country's transport sector is thirsty for petrol with demand, having risen by about 8.60 percent in the month of July, to about 8.51 million metric tonnes.

Thus, it is clear that PRC refineries are favouring petrol and jet fuel to the detriment of producing gasoil in order to meet demands on the home front.

Meanwhile, with industrial output in decline, gasoil production in July contracted, obviously due to sluggish demand. Demand for gasoil products fell by about 2.20 percent, Year-On-Year, to 14.06 million metric tonnes.

In the month of June, demand for gasoil products rose about 4.40 percent, Year-On-Year.

Whether or not the above statistics and the obvious conclusion, gleaned therefrom, is but a hiccough in the economy of the PRC, only the statistics in respect of the remainder of this year with regard to oil imports and exports and the mix of domestic refining products will tell the tale.

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