

**THIS YEAR'S OIL DEMAND IS LIKELY TO RISE,  
APPRECIABLY, IN THE PEOPLE'S REPUBLIC OF CHINA**

If reliably accurate statistics with regard to the consumption of key commodities, statistics beyond dispute, that is, it could, in part or whole, be said to point to the direction of the health or otherwise of a country's economy.

That being said, then it appears, *prima facie*, that the economy of the People's Republic of China (PRC) has turned the proverbial corner, despite certain suggestions to the contrary.

According to statistics, compiled by the National Bureau of Statistics of China, an official department of the PRC Government, refinery throughput in the country, throughout December 2016, averaged 11.31 million barrels per day.

This was an increase, Year-On-Year, of about 3.60 percent.

It was a new record high.

During December 2016, the demand for oil in the PRC rose by about 2.30 percent to 11.69 million barrels per day.

Refineries in the country appeared to be increasing production at the expense, to some extent, of maintenance requirements, obviously in preparation for perceived higher demand, throughout the first quarter of 2017.

The most-important imports of oil products into the PRC are fuel oil, gasoil, jet fuel, petrol, naphtha, and liquid petroleum gas.

In December 2016, such imports amounted to about one million barrels per day, according to the General Administration of Customs, a Ministry-level administrative agency within the PRC Government.

Also, during last December, oil exports rose to about 972,000 barrels per day, up about 14.22 percent, compared with oil exports for the month of November 2016.

The above statistics are apodictic that net imports of oil and oil products into the PRC fell by about 62,000 barrels per day, representing a fall of about 88 percent, compared with December 2015.

Overall, the apparent oil demand in the PRC, throughout 2016, averaged about 11.11 million barrels per day.

That statistic was a fall, Year-On-Year, of about 0.80 percent, according to statistics, released by various PRC Governmental agencies.

Against this, it has been widely indicated that refineries in the country processed about 11.08 million barrels of oil per day, according to usually reliable sources.

The National Bureau of Statistics of China, however, put refining output in the country in 2016 at about

10.83 million barrels per day, a difference of about 2.26 percent, compared with statistics, produced by non-PRC organs of Government.

Be that as it may, the above statistics do appear to suggest the increased demand for oil and oil products in the PRC, during 2016, and this trend appears to be continuing, according to guesstimates of most statisticians with regard to January 2017.

Taking into account data, obtained unofficially from parties au fait with managements of major refineries in the country, and factoring into the equation the statistics, obtained from official, PRC Government Press Releases in respect of oil import/oil export statistics, released by the National Bureau of Statistics of China and the General Administration of Customs, the revised apparent oil demand in the PRC was, most likely, about 11.35 million barrels per day.

The bottom line, therefore, was an increase in 2016 of about 1.30 percent, Year-On-Year.

The following table is copied from China's General Administration of Customs and the National Bureau of Statistics of China:

	All Figures Are Denominated in Barrels Per Day (Unless Otherwise Specified)		
	December 2016	December 2015	Percentage Change
Net Crude Imports of Oil	8,522,000	7,787,000	9.40
Crude Production	3,966,000	4,260,000	(6.90)
Apparent Demand	11,691,000	11,424,000	2.30

This is not the end of this story, however, because demand for petrol to power internal combustion engines in motor vehicles is growing apace as consumers in the PRC demand to own their own mode of transport rather than rely on public transport.

According to China Passenger Car Association:

*'The market of China-made SUVs (Sports Utility Vehicles) expanded rapidly at a year-on-year rate of 47.1% in 2016, reaching 9.023 million units. A total of 164 models competed in the field, which was dominated by local brands...*

*'Passenger vehicle sales in China to retail customers rose 17.10 percent in December from a year earlier.'*

Retail sales of motor vehicles totalled 2.76 million units in December, alone, the China Passenger Car Association has stated.

In respect of the entire 2016 year, passenger car sales rose 15.90 percent, Year-On-Year, one is told, officially, by the releases of automotive statistics, compiled and published by agencies of the PRC Government.

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