



## China's Refining Industry – The Transforming Giant

### Report Overview

Over the last two decades, China's emergence as a global economic and geopolitical superpower has been supported by, and has in turn encouraged, vastly increased consumption of refined petroleum products. In order to supply this growing need, the country's petroleum refining industry has been required to undergo fundamental structural changes, expanding its production capacity, adjusting its product output slate and increasing its levels of integration with the burgeoning domestic petrochemical industry. At the same time, the industry has continued to evolve from being primarily state-owned, towards a model in which privately-controlled independents play an increasingly important role. As China's weight in both the world economy, and the global refined products market, has increased, the evolution of its refining sector has become of increasing importance to external actors, with international oil majors, crude-producing National Oil Companies and others continuing to target a presence in the country.

Looking forward, China's refining industry continues to face ongoing issues, linked to feedstock availability, competitiveness and the need to support centrally directed economic imperatives. In addition, new challenges have emerged, as the country's economy shifts away from its historical emphasis on heavy industry, economic growth slows after the breakneck pace of recent years, and a combination of environmental concerns and technological progress brings new modes of transport and energy generation into play.

### Some Key Questions Answered

This report seeks to develop a usable picture of China's refining industry as it currently stands, and as it continues to evolve in the face of existing and future operational challenges. The following issues are addressed:

- What are the key economic and market drivers spurring shifts in China's refined product demand? How fast is demand for different refined products expected to grow through 2030?
- What are the historical and projected development of China's refining capacity and output? How are capacity developments expected to impact the country's net trade position for the key products?
- How competitive are the independent and state-owned refineries in China?
- What is the level of integration between Chinese refineries and petrochemical production?

CHINA'S REFINED PRODUCT SUPPLY BY PROVINCE  
Million Tons per Year



### Report Content

The report examines the environment in which China's refining industry operates and presents projections of potential product demand trends to 2030. In addition, the historical and projected development of refining capacity and output in the country is addressed, alongside implications for China's net trade position for the key refined products:

- LPG
- Naphtha
- Gasoline
- Kerosene
- Diesel/Gasoil
- Fuel Oil
- Petroleum Coke

Finally, analysis is presented of the independent and state-owned refining sectors, the competitiveness of China refineries, and the issue of integration between refineries and petrochemical production.

For information regarding the report, [China's Refining Industry- The Transforming Giant](#), please contact [STMC@nexant.com](mailto:STMC@nexant.com).

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