

SINGAPORE, Sept. 25, 2013 /PRNewswire/ -- China's apparent oil demand* in August increased 5.3% to an average 9.42 million barrels per day (b/d) or 39.82 million metric tons (mt) versus year-ago data, according to a Platts analysis of Chinese government data. This is down markedly from the 11.7% jump in June and follows a year-over-year rise of 6.6% in July to an average 9.82 million barrels per day (b/d) or 41.52 million mt.

Despite the year-over-year increase, average apparent oil demand last month was the lowest since the same month a year ago. On a month-over-month basis, apparent oil demand in August was down 4.1% from July.

"The data in August presented quite a mixed picture for products across the barrel," said Song Yen Ling
, Platts senior writer for
China

. "There was a rebound in gasoil demand but a marked decrease in that for fuel oil, while gasoline and jet/kerosene continued on their growth trajectories."

Jet/kerosene apparent demand surged 37.8% in August versus a year ago, to 2 million mt, mainly because domestic output rose 22.2% to 2.14 million mt. Outflows of jet/kerosene in August rose 4.6% from August 2012 to 680,000 mt. But the largest increases in jet/kerosene during August occurred in imports, which were up 54.3% to 540,000 mt versus the same period a year ago.

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Written by Australian Business

Naphtha imports were also strong last month, up 13.1% versus August 2012, to 276,000 mt. Increases were also reported for imports of liquefied petroleum gas (LPG) and other petroleum gases, which were up 37.7% compared with August 2012, to 2.23 million mt.

Apparent demand in gasoline was little changed last month, up only 2% from the prior August, to 7.51 million mt. Domestic production rose 6.8% year-over-year last month to 8.04 million mt. Gasoline exports for the month more than doubled versus a year ago, to 530,000 mt.

August exports of gasoil fell to a 17-month low of just 70,000 mt, likely because state refiners had exhausted their export quotas during the third quarter. The decrease in gasoil exports last month shored up apparent demand for the product, which rose by 3.7% year-over-year to 14.23 million mt, higher than the 3.3% expansion seen in July. Domestic production in August also rose 3.7% to 14.3 million mt.

From January to August, apparent gasoil demand totaled 112.86 million mt, down 0.4% from the same period a year ago. China did not import gasoil last month.

Apparent demand for fuel oil in August tumbled on a year-over-year basis. With domestic fuel oil output largely stable from a year ago at 1.99 million mt, the reduced imports and increased exports in August prompted a 13.7% year-over-year decline in apparent fuel oil demand to 1.98 million mt. Sources said this was primarily due to muted buying interest from independent teapot refineries, which use imported fuel oil as feedstock.

Fuel oil exports were 1.19 million mt in August, a 4.4% rise compared with August 2012. China became a net exporter of fuel oil for the first time in five years. Imports of fuel oil last month fell 18.6% from August a year ago to 1.18 million mt, the lowest level since October 2008.

Total net oil products imports, as reported on September 23 by China's General Administration of Customs, plunged 38.5% in August on a year-over-year basis to 80,000 mt. This was the lowest level since Janua

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and was largely due to an 18% increase in oil product exports to 2.49 million mt, which outpaced the 14.7% year-over-year rise in oil product imports of 2.57 million mt.

Refinery runs, or capacity utilization, rose 5.5% in August versus a year earlier to 9.4 million b/d, although they were down 1.4% from July, according to data released September 10 by China's National Bureau of Statistics (NBS).

Recent improvement in key macroeconomic indicators, including an overall growth in China's exports and heightened industrial and electricity production has kept oil consumption on a robust path.

For the first eight months of 2013, China's total apparent oil demand* increased 4.4% from the same period a year ago to an average of 9.81 million b/d. The growth rate is higher than the 0.6% annual growth seen for the period in 2012.

MONTHLY TRADE DATA:

Aug '13

Aug '12

% Chg

Jul '13

Jun '13

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May '13

Apr '13

Net crude imports (million mt)

21.22

18.21

16.5

25.94

22.14

23.84

23.08

Crude production (million mt)

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17.30

17.28

0.1

17.17

17.44

17.73

17.15

Apparent demand (million mt)

39.82

37.80

5.3

41.52

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40.89

40.31

39.51

Apparent demand ('000 b/d)

9,416

8,938

5.3

9,817

9,991

9,531

9,661

Sources: China's General Administration of Customs, National Bureau of Statistics, Platts

Month-to-month demand in China is generally viewed as subject to short-term anomalies which are of interest and important to note, but which often fail to reveal the country's underlying demand trends. Year-to-year comparisons are viewed by the marketplace to be more indicative of the country's energy profile.

*Platts calculates China's apparent or implied oil demand on the basis of crude throughput volumes at the domestic refineries and net oil product imports, as reported by the National Bureau of Statistics and Chinese customs. Platts also takes into account undeclared revisions in NBS historical data.

The government releases data on imports, exports, domestic crude production and refinery throughput data, but does not give official data on the country's actual oil consumption figure and oil stockpiles. Official statistics on oil storage are released intermittently.

Platts releases its monthly calculation of China's apparent demand between the 18th and 26th of every month via press release and via its website. Any use of this information must be appropriately attributed to Platts.

Platts uses a conversion rate of 7.33 barrels of crude per metric ton, the widely-accepted benchmark for markets East of Suez.

For more information on crude oil, visit the Platts website at www.platts.com. For Chinese-language information on oil and the energy and metals markets, visit <http://www.platts.cn/>.

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