

Energy Security and the Consuming Country: China's NOCs

The Changing Role of NOCs in
International Energy Markets
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Organizational Structure and Performance



- CNPC 中国石油天然气集团公司
- PIW 2005 ranking of 9
- Onshore crude produced from 50 fields in 2005 at 2.12 million b/d
- Imported 700,000 b/d from overseas assets in 2005
- Refining capacity from 39 units at 2.4 million b/d 2005; with Dalian upgraded to 410,000 b/d in 2006
- 2000 HK, NY listing in 2000 as PetroChina
- Profits 2005 at 133.4 billion RMB
- Special taxes 2005 at 20.25 billion RMB

Organizational Structure and Performance



- Sinopec 中国石化化工集团公司
- PIW 2005 ranking of 28
- Onshore crude produced 2005 at 760,000 b/d
- Imported 100,000 b/d from overseas assets in 2005
- Refining capacity from 56 units at 3 million b/d in 2005, with 5 units at more than 200,000 b/d: Zhenhai, Maoming, Jiling, Qilu, Shanghai Gaoqiao; and upgrade of Guangzhou to 260,000 b/d in 2006
- Joint venture with Kuwait at Nansha to process 300,000 b/d in 2010, with Exxon/Mobil and Saudi Aramco in Fujian at 240,000 b/d
- Listing on HK, NY as Sinopec in 2000
- Profits 2005 at 39.6 billion RMB
- Special taxes in 2005 at 5.05 billion RMB

Organizational Structure and Performance



- CNOOC 中国海洋石油总公司
- Crude offshore production from 44 fields in 2005 at 500,000 b/d
- Imported 200,000 b/d from overseas assets in 2005
- Guangdong refinery to produce 240,000 b/d in 2008
- Listing on HK, NY as CNOOC in 2001
- Profits 2005 of 25.3 billion RMB
- Special taxes in 2005 at 3.08 billion RMB

Influence of Chinese NOCs

- Of profits of all central owned enterprises of 904.7 billion RMB in 2005, NOCs were 200 billion RMB
- Growth in demand in 2006 to be 38 percent of growth in world demand
- China consumed 6.8 million b/d of oil in 2005
- Chinese NOCs produced about 3.8 million b/d, requiring about 3 million b/d in imports
- Projections of demand in 2020 from 10 to 13.6 million b/d, with production 3.1 to 4 million b/d, and requiring imports of 6 to 11 million b/d

Lessons from the Chinese NOCs and Energy Security

- Going Abroad Strategy's Effectiveness Mediated by History of:
 - ◆ Foreign Relations with Major Powers and with Resource Exporting Regions/Countries
 - ◆ Role of NOCs in Domestic Political Reforms, Including Privatization and Corporatization of SOEs
 - ◆ Role of NOCs in Broader Economic Development Plans:
 - ☞ National Energy Infrastructure
 - ☞ National Social Welfare Plan
 - ☞ Financial System and Capital Markets
 - ☞ Corporatized SOEs

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