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China to speed up market oriented reform of resource products pricing

BEIJING, Sept 21 (CEIS) – China will speed up market oriented reform of the pricing mechanisms for resource based products in a bid to establish a price formation mechanism that is able to mirror the degree of resource scarcity and the related demand-supply relationship, said Jiang Weixin, vice-minister of the National Development and Reform Commission (NDRC) here on September 21.

According to Jiang, the market-oriented reform, that is, letting the market have a greater say in setting prices, in the near future will cover such resources as water, electricity, heat and natural gas.

Market pricing of these resources-based products is to benefit related producers as these products are now widely undersupplied in China, and their prices may go up at faster paces when the government lifts control on their prices.

The market oriented pricing reform, if finally materialized, is surely helpful to improving the performance of many Chinese companies listed on domestic and overseas stock markets that now run resource-based products under government pricing.

For the purpose of promoting the development of a cyclic economy, Jiang said, an important aspect of work of the NDRC, the central government organ in charge of economic planning and government pricing, in the near future is to push forward the reform of the pricing mechanisms for such products as water, electricity, heat and natural gas.

He also said that the NDRC will formulate financial and taxation policies in favor of the development of cyclic economy to encourage the production and use of energy-saving and water-saving products. Besides, the preferential taxation policies for comprehensive utilization of resources and recovery of waste and used materials will be improved further.

He disclosed that experiments would be made nationwide on developing cyclic economy in the near future.

CBA
Wu Xiao'an remains in CBA

BEIJING, Sept 21 (CEIS) - The question of leaving or staying of Wu Xiao'an in CBA, who is known as one of the "four fighters" of China Brilliance Automobile Co Ltd (CBA) (1114 HK), which has been widely concerned in the sector, has finally got the answer. Wu will remain the post as chairman of the board of directors of CBA, according to an announcement made by CBA on September 20.

Thus, all the five executive directors of the CBA board, including chairman Wu Xiao'an, have been fixed.

On September 8, Wu Xiao'an handed the designation to the board of directors to quit all his posts including the board chairman in the company, according to an announcement issued by Shenhua Holding (600653), a listed company on the Shanghai Stock Exchange under the banner of CBA. The announcement had made a stir in the public, guessing that is the final one of the "four fighters" to leave CBA.

But, on September 10, Wu Xiao'an attended a news conference on début of China-made 3-series BMW cars on the market held in Shanghai as CBA's chairman, which was the first presence at a public occasion for Wu. The announcement of September 20 has further wiped out the rumors and guesses on the leaving or staying of Wu.

Wu, together with Su Qiang, Hong Xing and He Tao, were key members of the founding team of CBA. Starting from the end of 2004, the other three have one after another submitted designations to resign their posts in the company.

CEA
Fuel surcharge to raise China Eastern Airlines out of red

BEIJING, Sept 21 (CEIS) - China Eastern Airlines (CEA) announced recently that the restoration of fuel surcharge on domestic flights between Aug. 1- Dec. 30 will bring a revenue of 300m-400m *yuan* to the company.

The new income will not only offset the company's loss in 1H'05 but also help the company avoid a money-losing 2005, analysts say.

Over the first half of 2005, the company posted a loss of 410m *yuan*, largely due to high jet fuel prices. As claimed by the company, domestic jet fuel prices climbed by 40% year-on-year while ticket prices remained almost intact during this period.

China Eastern Airlines is one of the best-performing airlines in China. Despite a disastrous 2003 because of the SARS epidemic, the company realized a net profit of 514.1m *yuan* in 2004.

China abolished fuel surcharges in mid-2004 as a measure to reform the country's civil aviation sector. But lobbied by airline companies amid rising international oil prices, the Chinese government agreed in this July that airliners could charge passengers a fuel surcharge of 20 *yuan* per person for a domestic flights shorter than 800km and 40 *yuan* for longer domestic flights.

With international oil prices approaching US$70 per barrel, Chinese airline companies are considering lobbying the government to raise the fuel surcharge by 25%-50%, according to an unconfirmed report.

An official of the National Development and Reform Commission, which supervises airline ticket prices, was quoted by the report as saying that raising fuel surcharge won't solve Chinese airliners' problems.

CEA & ZNH
China's first non-government airliner association formed

BEIJING, Sept 21 (CEIS) - China's first non-government airliner association, China Air Transport Association, was established recently.

This move is regarded as another step taken by the Chinese government to separate itself from mixing up with enterprises.

The two U.S.-listed airline companies, China Eastern Airlines and China Southern Airlines, are among the nine founding members of the association. Other members include China Airlines, Hainan Airlines, Shanghai Airlines, Xiamen Airlines, Shenzhen Airlines, Sichuan Airlines and the Civil Aviation University of China, a subsidiary directly under the General Administration of Civil Aviation.

A major function of the association is to play the role of coordinator and supervisor between member airliners, which used to undermine each other by launching vicious "price wars".

Apart from promoting self-disciplining among members, the association will streamline the country's disordered ticket-agent market through a standard authorization system. It is also tasked with facilitating the communications between airline companies at both sides of the Taiwan Straits.

By far, the association has 39 members. And its formal operation will start on Sept. 26.

CHL
China Mobile denies new overseas acquisition plan

BEIJING, Sept 21 (CEIS) - China Mobile denied acquisition of India-based Reliance Telecom (RTL), according to China Business News.

It said that both the listed company and the parent company were not involved in the case, describing the report by an Indian newspaper as "untrue". The Indian newspaper said that China Mobile would acquire RTL from Anil Dhirubhai Ambani (ADAE) for 1.5 billion US dollars.

Affected by the rumor, China Mobile posted sharp rises in trading volume on September 20, with its share price reaching 36.55 Hong Kong dollars, up 5.94%, hitting a record high since August 2001.

An industry insider predicted that China Mobile would benefit from entering India's market by acquiring RTL.

The number of mobile telecom users in India has been growing at a rate of 2.5 million per month, making India one of the fastest growing markets in the world. In 2004, the number of mobile phone users exceeded fixed phone users to reach 61.9 million, but only accounting for less than 5% of its total population.

RTL, a small Indian Mobile Telecom Company, boasted 1.5 million customers by the end of this August and took 5% of the total India’s mobile phone market. It has GSM business in eight of 23 telecom areas of India, mostly in Northeast India. The company was held by ADAE and the Reliance Group on a 65-35 basis.

It is predicted that this acquisition plan could add 5,333-8,000 *yuan* as acquisition cost per share to the customers of China Mobile.

CHINA
China.com denies big personnel change

BEIJING, Sept 21 (CEIS) - The spokeswoman of China.com Inc, an 81% owned subsidiary of CDC Corporation (Nasdaq: CHINA)) recently definitely denied that CDC will have a big personnel change.

Wu Yali, vice president and also spokeswoman of China.com stated that former vice president of China.com, Li Tao, who was in charge of the website marketing, resigned for personnel reasons on September 15, 2005. Li Tao joined in China.com on June 21. Together with Li, very few employees that were hired recently for the department Li has served, resigned.

NTES
NetEase’s acting CEO dies, Ding likely to come out

BEIJING, Sept 21 (CEIS) - NetEase (Nasdaq: NTES) announced on its website that its acting CEO Sun Deli died of disease on September 20. Since Sun passed away, NetEase’s COO Dong Ruibao and CFO Li Tingbin will jointly take the job of CEO temporarily, said the company.

Earlier, there were reports saying that NetEase’s founder and chief framework designer Ling Lei will come out again and take up the post of CEO, but NetEase’s spokesman refused to make any comments on the issue on September 20. Ding had also refused to make any comments when attending a forum in Hangzhou not long ago.

It is difficult to say that Ding will come out or not, said an insider, maybe NetEase’s strong position in the capital market will dispel Ding’s misgivings.

PTR

PetroChina refinances HK$21.099bn in Hong Kong Stock Exchange

BEIJING, Sept 21 (CEIS) - PetroChina recently launched refinancing program with the ceiling price of HK$6/share to raise money for overseas expansion. This is the company's first refinancing since its 2000 IPO, also the largest refinancing deal in Asian capital market since 2001.

Through the deal, the company can raise a total of HK$21.099 billion (US$2.715 billion), which is regarded as a considerable appreciation of the company's assets.

After the over-subscription, the total shares issued for this time will amount to 3.516 billion including newly added shares of 3.197 billion. Meanwhile, PetroChina will have to sell 319 million existing shares to turn in Social Security Funds according to the relevant regulations.

Thanks to the high international oil price, PetroChina recorded favorable performances in recent years. According to PetroChina's company reports, its net profit in 2004 reached 102.9 billion *yuan* and that of in 1H'05 amounted to 61.6 billion *yuan*, which won the company the honor of Asia's top money-earner.

Furthermore, improvement in company management, cautiousness in investment and attractive dividend rewarding play important roles in the success of the refinancing program.

PetroChina put only 10% of its shares for IPO circulation in 2000. Through five years of development, the company has been highly appreciated by overseas investors thanks to the consecutive success. The share price experiences continuous rise and ever peaked at HK$7 on Aug. 2, 2005.

SOHU
Sohu Focus sues Sofou.com for copyright infringement

BEIJING, Sept 21 (CEIS) - Focus.cn, an influential real estate website affiliated to Sohu.com Inc (Nasdaq: SOHU), has recently brought a suit against Sofou.com, the biggest real estate portal websites in China, because it thinks the latter has lifted contents from its website. Focus.cn asks Sofou.com to stop the infringement of its copyright and makes a claim for a compensation of 498,000 *yuan*. Recently, the Court of Haidian District has accepted the copyright dispute case.

SNP

Sinopec confirms partnership with CNPC in purchasing PetroKazakhstan

BEIJING, Sept 21 (CEIS) - Sinopec, China's largest refiner, confirms this Monday that it has a role in CNPC's attempt to buy Kazakhstan's PetroKazakhstan.

Wang Tianpu, Sinopec's vice president, was quoted as saying that CNPC, China's largest oil producer, would offer Sinopec some shares of PetroKazakhstan if it succeeds in the deal.

Wang’s remark dismisses the prevailing rumors that CNPC will sell a considerable part of PetroKazakhstan to Kazakhstan’s state-owned Kazmunaingaz to soothe Kazakh government’s unease over CNPC’s purchase.

But who persuaded Sinopec to retreat from the biding and how can CNPC be so kind enough to reward its biggest domestic competitor with these upstream resources that Sinopec dreams of acquiring?

Market analysts said the National Development and Reform Commission, the State-owned Assets Supervision and Administration Commission and the Ministry of Commerce, which are highly alerted about the infighting between Chinese companies in overseas purchasing, are likely mediating between the two domestic oil majors in the PetroKazakhstan’s bid.

XING
Qiaoxing Group discloses mobile phone strategy

BEIJING, Sept 21 (CEIS) - Wu Ruilin, chairman of Qianxing Group (Xing Nasdaq), one of the top 100 private enterprises and a major manufacturer of communication terminal products in China, disclosed his group’s mobile phone strategic target on Sept 20.

According to Wu, CECT, a subordinate of Qiaoxing, will be listed in Hong Kong in June 2006. The group is now building a unified marketing platform to launch the strategy of CECT and COSUN brands.

It is reported that Qiaoxing has established partnership relations with international brands including Binatone from Britain, Wal-Mart, SOYO and Geemarc from the United States, Toshiba from Japan, DORO from France and Telecom from Spain.

Wu Ruilin said CECT brand focuses on medium- and high-end mobile phones, and COSUN brand, medium- and low-end phones. The two brands will be the pillar of Qiaoxing’s mobile phone industry.

In addition, the group’s mobile phone business will target at oversea markets. Qiaoxing has signed agreements of intent with dealers in Austria, Pakistan, India and the U.S. and will supply mobile phones to the said countries in the fourth quarter of this year.

It is learned that in the first half of this year, Qiaoxing Group signed contracts involving a contractual value of some 100 million US dollars with communication giants in Europe, America and India to supply 1 million sets of GSM and CDMA mobile phones. According to the plan, Qiaoxing will sell 5 million mobile phones at oversea markets from 2005 to 2007.

According to Wu, the legal preparatory work for CECT listing in Hong Kong has been basically completed and the related investment bank has been chosen. Profits for

CECT mobile phones in the first half of this year surpassed 100 million *yuan*, more than 200% up over that of 2004. It is expected that the profits for CECT phones will exceed 200 million *yuan* for the whole of this year.

PTR & SNP
China's lube market overview

BEIJING, Sept 21 (CEIS) - As the international oil price goes up rapidly, China's lube industry has experienced an unprecedented baptism. Base oil import declines and the domestic base oil supply is in a tense situation. Local blenders are struggling for survival and more foreign lube players are penetrating into China's lube market.

The austere market environment, however, gives PetroChina LOC and Sinopec LOC, China's two largest lube producers and suppliers a god-given opportunity to build their muscles much stronger to compete against foreign lube players. As a matter of fact, foreign lube players such as Shell, ExxonMobil and BP have shown a strong presence in the country's lube market after years' market operations.

■ Tense base oil supply

Since the second half of 2004, base oil supply in China has tensed up. Especially since August 2005, both PetroChina and Sinopec have raised base oil prices for several times, RMB100-300 *yuan*/ton each time. As a result, local blenders have been so cornered that they found it quite difficult to get base oil. Base oil traders are also reluctant to import expensive base oil or they would not like to sell the imported base oil even if they have base oil in hand. That is because they are waiting for a much higher base oil price.

PetroChina and Sinopec are likely to further raise their base oil prices in the near future. Under the current state pricing system, the two have to feed their refineries with expensive crude oil and sell oil products to the market at a low price. Though refineries are suffering a huge loss, they are requested to produce enough oil products to meet the demand. Unlike gasoline and diesel prices, which are set by the state, prices of base oil and lubes are determined by the market, for China's lube market was liberalized as early as in 1992. Thus, PetroChina and Sinopec would rather produce base oil than gasoline and diesel.

As long as the huge loss-making situation on the part of refineries is eased, the domestic base oil supply would still fall short of demand and base oil price would still stay at a high level. For instance, the retail price of 150BS produced by Karamay Refinery has climbed to RMB8,000 *yuan*/ton in northeast China. What makes PetroChina LOC, Sinopec LOC and numerous local blenders agonising is that the prices of finished lubes could not keep up with the rising prices of base oil and additives. The key reason is that the domestic lube blending capacity is far greater than the demand. What's more, the blending capacity is split among PetroChina LOC, Sinopec LOC, local blenders and foreign-funded blenders, while the majority of base oil production capacity is under the control of PetroChina and Sinopec.

■ Analysis of home brands and foreign brands

China’s lube market has attracted numerous home and foreign lube players. Three forces have been formed: the state force, represented by PetroChina LOC and Sinopec LOC; the local force, represented by Beijing Tongyi and the foreign force, represented by ExxonMobil, Shell and BP. As a matter of fact, the competition among the three forces has been intensified with the influx of new foreign lube players.

According to statistics from the State Bureau of Statistics (SBS), the national lube consumption in 2004 was around 4.452m tons, more than half of which, about 53%, were used by the transport sector and the remainder, by the industrial sector. It is expected that the portion in 2005 would likely reach 55% driven by the booming domestic automotive industry. The annual growth of lube consumption would be kept at the level of 3% in the coming years. Though the high-grade lubes account for merely 20% of the national total, the profits margin is as high as 80%. That is why PetroChina LOC and Sinopec LOC are endeavouring to raise the portion of high-grade lube production.

Both PetroChina LOC and Sinopec LOC have completed the work of unifying their brands. Finally, KunLun has become the unified brand of PetroChina LOC and Greatwall, the unified brand of Sinopec LOC. In order to improve brand awareness, both have spent a mint of money on advertising.

Since the majority of PetroChina LOC’s blending capacity is located in northeast China and northwest China, far away from consumption centres, PetroChina LOC has built two blenders – one in Taicang, east China’s Jiangsu province and the other in Chengdu, southwest China’s Sichuan province. The operation of the two blenders plays an important part in PetroChina LOC’s blueprint of forming a scientific product distribution system. The lube company is planning to sell 100,000 tons of high-grade Kunlun lube in 2006, accounting for more than 10% of China’s high-grade lube market.

The operation of the Gaoqiao hydrogenation base oil production unit, to a great extent, will provide a stable supply of Group II and III base oil for Sinopec LOC. After the Maoming hydrogenation base oil production unit goes into operation, the lube company is sure to make base oil supply basically self-supporting and the quality of lubes would be further improved.

Sinopec LOC has an ambition of raising its high-grade market share from the current 5% to 30-40%. Imaginably, to realize the ambitious target would be full of hardship. Foreign lube players, which hold a share of 80% in the domestic high-grade lube market, in fact, are the rivals of Sinopec LOC. Unlike PetroChina LOC, which suffered a three years’ continuous losses, Sinopec LOC has not suffered any losses or dropping market share even in 2002, when the company was established. In order to expand its high-grade lube market, Sinopec LOC is endeavouring to promote the high-grade lube product with the brand “Greatwall-Justar”. The company has also consolidated its relations with OEMs. For instance, the company has successfully become the factory oil supplier of Shanghai GM.

Undoubtedly, Beijing Tongyi’s bold actions have shocked PetroChina LOC, Sinopec LOC and even foreign lube players. It has set a good example for numerous local blenders. Of course, few local blenders could be as powerful as Tongyi. In the first half of 2005, Tongyi produced 128,707 tons of lubes, ranking first among all blenders. The company raked in RMB2.15 billion *yuan* in sales revenue in 2004 and the figure is likely to shoot up to RMB3.2 billion in 2005, a further step nearer its ambitious goal of RMB 10 billion *yuan* by 2010.

Therefore, Tongyi is well on the way of further expanding its lube production to increase the high-grade lube production. In addition to the four blenders in operation, respectively located in Beijing, Wuxi (Jiangsu), Xiangfan (Hubei) and Xianyang (Henan) and with a combined blending capacity of 600,000 tons/yr., the company is to add another blender in Jiangmen (Guangdong).

No doubt, the influx of new foreign lube players will not shake the solid positions of Shell, ExxonMobil and BP in China's lube market. ExxonMobil holds the biggest market share among all foreign lube players. It is estimated that its sales in 2004 would likely reach about 150,000 tons. Though with a relatively smaller market share than ExxonMobil, Shell enjoys a higher brand reputation among Chinese consumers.

To date, the combined blending capacity of the foreign-funded blenders has reached 900,000 tons/yr., accounting for about 20% the country's total consumption. The majority of veteran foreign lube players have operated blenders in China, which is the main channel for them to penetrate into the country's lube market.

Similarly, to build blenders in the country is a feasible way for new foreign comers to enter the market. They mainly refer to:

a. In July 2004, ConocoPhillips announced that its lube products formally entered the China lube market, mainly the high-grade lube market.
b. Also in July, Petronas began to set foot in the country's lube market.
c. Motor-use lubes with the brand Liqui-Moly and Chongqing Zhongtian produced in Chongqing have begun to enter the market since June 2005. Liqiu-Moly is based in Germany.
d. In June 2005, Dongfeng Castrol Lube Oil Company, a JV of BP and Dongfeng Motor Corporation, was established in Wuhan, central China's Hubei province. The total investment is RMB120 million *yuan*, of which BP holds 50% of the stake and Dongfeng, the other 50%. The annual production capacity is 50,000 tons.
e. SK is planning to establish a retail JV with Sinochem in China and build a lube blender in Chongqing. Its lube products have already entered the country's lube market.

■ Base oil import down but export up

The high price of base oil, to a great extent, caps the domestic consumption. Imported base oil is more expensive than the domestically produced base oil. Lube traders would not like to import base oil at the time when the international base oil price is at such a high level.

China imported 493,407 tons of base oil in the first half of 2005, down 14.9% from a year earlier. However, Russia increased its base oil export to China by 15.2% from 47,023 tons a year earlier to 54,962 tons. The main reason is that the price of base oil imported from Russia by rail is relatively lower.

In the first half of 2005, finished lube import reached 90,891 tons, a slight decrease of 8% from the same period of the previous years. In fact, the import of finished lubes has been relatively stable in recent years, the majority of which is high-grade lube and high-quality industrial oil needed by the domestic lube market.

During the first six months of 2005, base oil export declined sharply from 16,510 tons a year earlier to 26,780 tons. The main reason is that the domestic base oil supply is strained and the national cruderuns declines.

Table China's finished lube imports by source in Jan.-Jun. 2005
(in tons)

Country/region	Jan.-Jun. 2005	Jan.-Jun. 2004
Singapore	26,988.44	23,607.69
ROK	14,391.92	18,761.18
Japan	12,703.03	13,366.28
The U.S.	8,377.33	7,725.27
Hong Kong	7,509.64	9,170.76
Taiwan	3,727.28	2,510.82
Germany	2,811.26	5,578.64
France	2,619.98	2,150.19
Belgium	2,371.07	2,099.88
Russia	2,069.67	6,549.19
Spain	1,604.38	1,214.83
Canada	1,334.54	671.95
Malaysia	951.62	1,894.61
Thailand	707.75	629.37
Vietnam	668.84	686.60
UAE	519.88	553.11
Australia	374.38	222.62
Britain	365.89	361.60
Sweden	303.39	257.06
Holland	222.71	426.24
Others	268.94	429.93
Total	**90,891.94**	**98,867.82**

Table China's lubricating grease imports by source in Jan.-Jun. 2005

Country/region	Jan.-Jun. 2005	Jan.-Jun. 2004
ROK	8,480.30	829.65
The U.S.	2,331.66	1,383.30
Singapore	516.20	589.02
Germany	490.94	526.55
Philippines	483.05	394.06
Japan	472.71	494.85
Thailand	396.53	397.17
Holland	332.46	328.61

Vietnam	308.10	581.54
Australia	274.07	225.80
Taiwan	265.94	259.47
France	215.35	337.98
Belgium	106.77	31.58
UAE	88.41	98.89
Others	152.49	168.15
Total	**14,914.99**	**6,646.61**

Table China's base oil imports by source in Jan.-Jun. 2005

Country/region	Jan.-Jun. 2005	Jan.-Jun. 2004
Singapore	201,822.10	179,344.17
Japan	81,006.90	82,275.64
ROK	67,713.81	94,556.47
Taiwan	55,178.13	120,540.47
Russia	54,962.01	47,023.92
Uzbekistan	21,874.74	31,009.81
France	3,766.63	2,046.39
The U.S.	2,804.31	3,058.19
Thailand	1,774.70	13,245.00
Italy	692.68	0.02
Malaysia	515.06	1.75
Sweden	433.02	279.36
Belgium	374.94	1,195.52
India	277.39	….
Holland	188.60	1,880.37
Hong Kong	22.08	52.45
Indonesia	…	2,003.02
Britain	0.01	998.72
Others	0.70	110.23
Total	**493,407.80**	**579,621.50**

Table China's finished lube export by destination in Jan.-Jun. 2005

Country/region	Jan.-Jun. 2005	Jan.-Jun. 2004
Hong Kong	15,026.70	17,795.58
Panama	4,714.59	2,876.79
North Korea	999.43	1,029.30
Singapore	962.63	769.24
Japan	781.03	952.21
Taiwan	748.19	1,670.63
Philippines	428.71	109.28
Malaysia	371.57	572.89
Liberia	367.43	400.18
ROK	355.64	243.90
Malta	277.39	369.29
Antigua & Barduda	232.36	72.07
Kazakhstan	220.76	153.94
The Bahamas	210.36	281.89

Greece	198.00	198.30
Kirgizstan	190.82	155.86
St. Vincent & the Grenadines	185.13	373.62
Cyprus	172.48	271.96
Turkey	125.98	94.43
Marshall Is. Republic	118.41	146.31
Belgium	109.77	97.68
Others	1,277.74	1,610.59
Total	**28,075.11**	**30,245.94**

Table China's lubricating grease export by destination in Jan.-Jun. 2005

Country/region	Jan.-Jun. 2005	Jan.-Jun. 2004
Taiwan	265.89	11.38
The Philippines	114.29	117.16
Singapore	107.17	69.46
Vietnam	103.71	17.28
Hong Kong	83.64	52.20
Japan	80.65	60.36
Malaysia	73.02	…
North Korea	71.73	105.42
Others	27.20	18.23
Total	**927.31**	**451.47**

Table China's base oil export by destination in Jan.-Jun. 2005

Country/region	Jan.-Jun. 2005	Jan.-Jun. 2004
Singapore	15,035.10	10,166.42
India	4,194.13	…
Taiwan	3,624.72	…
The Philippines	1,650.97	1,619.03
North Korea	1,532.89	787.06
Kenya	333.20	166.60
Malaysia	314.24	…
Indonesia	27.20	…
Portugal	21.93	…
ROK	21.40	3,769.64
Others	24.47	1.11
Total	**26,780.25**	**16,509.85**

Table China's finished lube import by province in Jan.-Jun. 2005

Province	Jan.-Jun. 2005	Jan.-Jun. 2004
Shanghai	28,607.77	32,663.97
Guangdong	23,319.53	20,773.62
Tianjin	10,865.31	10,759.44
Jiangsu	6,117.59	6,046.55
Shandong	5,487.56	6,896.56
Liaoning	5,264.15	4,900.78
Beijing	3,679.11	3,448.31

Zhejiang	1,398.06	1,852.24
Hubei	1,237.65	1,004.30
Heilongjiang	1,137.64	672.96
Inner Mongolia	1,084.28	6,034.84
Fujian	1,015.28	1,743.77
Sichuan	438.90	439.13
Chongqing	316.26	435.90
Hebei	281.05	288.01
Others	641.80	907.45
Total	**90,891.94**	**98,867.82**

Table China's lubricating grease import by province in Jan.-Jun. 2005

Province	Jan.-Jun. 2005	Jan.-Jun. 2004
Shandong	8,035.32	148.40
Shanghai	3,708.81	2,964.79
Guangdong	1,348.29	1,356.28
Tianjin	695.36	1,134.40
Jiangsu	409.48	225.18
Liaoning	224.94	174.06
Beijing	178.18	258.79
Zhejiang	107.17	183.80
Guizhou	50.76	5.19
Hebei	48.46	31.50
Hainan	43.21	20.39
Fujian	36.78	94.91
Others	28.23	48.94
Total	**14,914.99**	**6,646.61**

Table China's base oil import by province in Jan.-Jun. 2005

Province	Jan.-Jun. 2005	Jan.-Jun. 2004
Jiangsu	166,192.69	243,776.41
Tianjin	90,105.21	89,091.61
Guangdong	73,694.82	80,339.38
Inner Mongolia	42,559.85	36,780.64
Zhejiang	37,288.91	31,834.60
Beijing	24,587.00	8,185.43
Xinjiang	22,189.51	29,824.39
Heilongjiang	11,922.64	6,290.10
Shanghai	7,694.43	25,118.17
Liaoning	7,047.03	11,082.29
Shanxi	5,469.76	8,292.71
Guangxi	3,001.54	1,998.21
Fujian	1,603.03	457.38
Shandong	49.62	2,449.97
Gansu	…	3,996.99
Others	1.77	103.25
Total	**493,407.79**	**579,621.51**

Table China's finished lube export by province in Jan.-Jun. 2005

Province	Jan.-Jun. 2005	Jan.-Jun. 2004
Guangdong	12,662.46	12,164.93
Tianjin	4,908.88	8,633.41
Shanghai	4,432.70	3,289.31
Liaoning	2,125.55	1,666.90
Jiangsu	2,081.68	2,165.10
Zhejiang	759.86	499.69
Xinjiang	317.26	658.22
Beijing	232.18	75.83
Heilongjiang	176.64	300.00
Hebei	149.87	4.72
Fujian	123.42	361.97
Jilin	79.89	269.60
Shandong	…	156.27
Others	24.72	…
Total	**28,075.11**	**30,245.94**

Table China's lubricating grease export by province in Jan.-Jun. 2005

Province	Jan.-Jun. 2005	Jan.-Jun. 2004
Fujian	740.91	276.73
Tianjin	117.27	69.51
Liaoning	60.08	105.24
Others	9.05	…
Total	**927.30**	**451.48**

Table China's base oil export by province in Jan.-Jun. 2005

Province	Jan.-Jun. 2005	Jan.-Jun. 2004
Liaoning	25,133.69	16,508.74
Tianjin	1,572.94	0.01
Beijing	73.45	0.00
Shaanxi	0.18	0.00
Total	**26,780.26**	**16,508.75**

Table China’s lube production by major blenders in the first half of 2005

Blender	Location	Jan.-Jun. 2005	Jan.-Jun. 2004	Change, %
Beijing Tongyi Petrochemical	Beijing	175762	128707	36.56
Lanzhou blender of PetroChina	Gansu	162238	117362	38.24
Dalian blender of PetroChina	Liaoning	147210	164472	-10.50
Greatwall blender of Sinopec	Beijing	144119	135085	6.69
Maoming blender of Sinopec	Guangdong	132371	139307	-4.98
Karamay blender of PetroChina	Xinjiang	131228	119847	9.50
Liaohe blender of PetroChina	Liaoning	107259	71482	50.05
Fushun blender of PetroChina	Liaoning	87974	78484	12.09
Yumen blender of PetroChina	Gansu	82363	68054	21.03
Dushanzi blender of PetroChina	Xinjiang	81007	79276	2.18
Daqing No. 1 bender of PetroChina	Heilongjiang	72900	43557	67.37

Taicang blender of ExxonMobil	Jiangsu	70761	50812	39.26
Daqing No. 2 blender of PetroChina	Heilongjiang	63758	61864	3.06
Jinxi blender of PetroChina	Liaoning	52811	60971	-13.38
Jinan blender of Sinopec	Shandong	51889	40792	27.20
Tianjin blender of ExxonMobil	Tianjin	33938	31357	8.23
Wuxi Xinsu Lube Company	Jiangsu	31330	12120	158.50
Tianjin blender of Shell	Tianjin	30395	27297	11.35
Henan blender of Sinopec	Henan	23918	24017	-0.41
Chongqing Yiping blender of Sinopec	Chongqing	23540	16577	42.00
Guangxi Beihai Yucai Lube Co. Ltd.	Guangxi	22825	20128	13.40
Jiangsu Gaoke Petrochemical Co. Ltd.	Jiangsu	22405	19270	16.27
Yingkou Jindun Petrochemical Plant	Liaoning	22249	19091	16.54
Changzhou Changrun Petroleum Co. Ltd.	Jiangsu	20539	15540	32.17
Tianjin Nippon Lube Co. Ltd.	Tianjin	19700	16701	17.96
Qingjiang blender of Sinopec	Jiangsu	19225	15058	27.67
Qinzhou Luguang Chemical Co. Ltd.	Shandong	19000	11400	66.67
Nanchong blender of PetroChina	Sichuan	18617	4655	299.94
Zibo Zhuyou Petrochemical Co. Ltd.	Shandong	18200	8100	124.69
Xiamen Qixin Petrochemical Co. Ltd.	Fujian	17366	15665	10.86
Maoming Changzhou Lube Co. Ltd.	Guangdong	17345	15345	13.03
Tianjin blender of Caltex	Tianjin	17059	19396	-12.05
Xinjiang Jinta Investment Co. Ltd.	Xinjiang	16528	32632	-49.35
Yingkou Bohai Northeast Petrochemical Plant	Liaoning	15310	5675	169.78
Southwest Oilfield of PetroChina	Sichuan	15229	8815	72.76
Wuxi Jiuzhou Oil Product Co. Ltd.	Jiangsu	12533	11058	13.34
Tianjin Dagang Oilfield Gangrun Hi-tech Co. Ltd.	Tianjin	11592	16424	-29.42
Qingdao Crown Petrochemical Co. Ltd.	Shandong	11350	9935	14.24
Wuxi Huiyuan High-grade Lube Co. Ltd.	Jiangsu	11251	11505	-2.21
Heral Group	Gansu	10580	10227	3.45

(END)