

## Victor Yang

Senior Editor  
JLC Network Technology



### Economic Outlook for Q4?

We are seeing quite slow economic growth for China this year. We do not expect it to recover significantly in Q4 as the economy is still facing a lot of downward pressure. The main driver in the last quarter would be infrastructure construction as China tries to stimulate activities with the building of railways and dozens of highways. There is no significant change in terms of COVID policy in the remainder of the year and people are now getting used to this policy that when they travel, they just need to take the test within 48 to 72 hours. There is not much worry about it now and is just becoming the new normal.

### Will there be more Imports of Discounted Oil?

Based on August data, Saudi Arabia surpassed Russia again as the top source of crude oil. Imports from Russia have in fact dropped because Chinese refiners and traders are becoming more worried about being sanctioned by the United States. After all, the relationship between China and the United States has been deteriorating, and more and more American companies or Chinese companies have been sanctioned by each other. This is kind of a new trend, and this would limit the imports of Russian crude in the future. And as for Iranian imports, China's official data show there has been no imported crude from Iran last month.

### New Normal for Chinese Oil Demand?

We expect Chinese oil imports to be stable in Q4 at about 10 million b/d. There are two new refineries coming online in China next month – a 320,000 b/d refinery and PetroChina's 400,000 b/d capacity in Guangdong. This would drive up domestic demand to some degree, but on the other hand the high stockpiles in most state-owned refineries will likely see China raise Q4 quotas for oil product exports to Asia. ■

*\*Paraphrased Comments*

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