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# EXCLUSIVE SERIES
# VIEWS YOU CAN USE

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### Why is China planning for strategic reserve sales of its crude oil?

The country stocked up a lot of crude last year - over 1.2 million bd went to storage. And for the first seven months of 2021, stockpiling continued, by official data at about 153,000 bd. The actual throughput might have been even higher. Now, with a lot of refineries under pressure from rising costs, it's a good time to release some of these reserves.

### Is this move to release commodities seen as popular by Chinese industry?

Yes, particularly by some of the new refineries which are short on quotas, such as the large private chemical complexes. The shortage of feedstock has caused some fiscal problems, so these moves are designed to relieve some of that pressure.

### Will we see sub 6% growth because of China's stringent economic policy?

The policy changes have been there to level the playing field for small and medium sized enterprises and China has sacrificed short term growth for the sake of stable growth for the coming years and it's determined to push forward with this. But we already see trade and industrial production and consumption coming back.

### LNG prices are already high and we haven't hit winter yet. A concern for China?

China has stocked up a lot of LNG for winter heating, so no matter how pricey it gets, that will not hit demand from China much. China has been building extra gas storage tanks for a while also. Domestic production is not strong enough to meet demand and they still rely on imported cargoes. ■

**Paraphrased comments*

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