Data Shows China Passing U.S. As Biggest Oil Importer

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BEIJING (AP) -- China has achieved another world-beating status its leaders don't want: Biggest oil importer.

China passed the United States in September as the world's biggest net oil importer, driven by faster economic growth and strong auto sales, according to U.S. government data released this week.

Chinese oil consumption outstripped production by 6.3 million barrels per day, which indicates the country had to import that much to fill the gap, the Energy Information Administration said this week.

"China's steady growth in oil demand has led it to become the world's largest net oil importer, exceeding the United States in September 2013,'" the agency said in a report. "EIA forecasts this trend to continue through 2014."

China's economic boom has raised incomes and increased its global influence. But it also has spurred demand for imported oil and gas, which communist leaders see as a strategic weakness.

Rising auto ownership has left China's cities choking on smog and added to pressure on Beijing from its own public to curb pollution and from other nations to rein in surging greenhouse gas emissions.

The United States, with a population about one-third the size of China's, still consumes far more oil per person than China does.

In September, Americans used 18.6 million barrels per day of oil and other liquid fossil fuels, while China used 10.9 million, according to the EIA's Short-Term Energy Outlook. U.S. production was 12.5 million barrels per day, while that of China was 4.6 million.

China's economy, the world's second-largest, is cooling but still is forecast to grow by nearly 8 percent this year, well above forecasts for the U.S.

The Chinese auto market, the biggest by number of vehicles sold, also is cooling but sales still rose by 11 percent in August.

Beijing is encouraging development of wind and solar power and use of autos powered by batteries or natural gas. But gasoline is expected to remain the country's main vehicle fuel in coming decades.

The government has launched initiatives to improve China's energy intensity, or the energy consumed for each unit of economic output. It has reported progress but still is far behind developed economies.

Until the late 1990s, China supplied its oil needs from domestic sources including the vast Daqing field in the northeast. But the economic boom outstripped its production capacity while output from existing sources is forecast to decline.

That has forced China to rely more heavily on imports, especially from Saudi Arabia and Iran. Communist leaders see that as a strategic weakness because of possible instability in the Gulf and Iran's political isolation.

EIA noted that China's domestic oil production was hampered over the past two months by summer flooding.

State-owned oil companies and their foreign partners are spending heavily to look for new oil sources in China and to develop alternatives such as methane from coal beds. But they have yet to find new deposits that match the size of Daqing.

Abroad, Chinese state-owned oil companies have invested billions of dollars to develop oil and gas sources in Iraq, Central Asia and Africa. Some of that is meant for export to China but much of it is sold in other markets.

At the same time, U.S. import demand has weakened as hydraulic fracturing and other technologies open up new domestic sources of supply.

American demand for oil and other liquid fuels rose by about 110,000 barrels per day, or just 0.6 percent, in the first nine months of this year, due partly to improved engine efficiency, the EIA said. It said consumption is forecast to fall by 0.4 percent next year.

Overall, the United States still should be the biggest oil consumer next year at about 18.7 million barrels per day, down from its peak of 20.8 million in 2005, according to the EIA. It said China's consumption next should be about 11 million barrels per day.

U.S. Energy Information Administration: www.eia.gov *[1]*

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