ITALIAN TRADE AGENCY

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NEWSLETTER

OIL & GAS
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China's Oil, Gas Output Hits Record Highs
China National Energy Administration (NEA) data shows China’s 2025 oil and gas output set records: crude hit 216 million tons, total oil-gas equivalent reached 420 million tons, with gas up over 10 billion cubic meters for nine straight years. Shale oil topped 8.5 million tons. The seven-year production-boost plan ended successfully, lifting energy self-sufficiency amid global supply risks. **(China Daily)**

Shanxi's Unconventional Natural Gas Production Hits Record High in First Half of Year
On July 21, the Shanxi Provincial Bureau of Statistics announced that Shanxi has intensified its efforts to increase the production and supply of unconventional natural gas this year. In the first half of the year, the province's total unconventional natural gas production reached 10.05 billion cubic meters, a year-on-year increase of 12.4%, setting a new record for the same period. **(Xinhua News)**

China Builds First Shale Oil Demonstration Zone, Overcomes Exploration Hurdle
China's first national-level shale oil zone, the Shengli Jiyang Demonstration Zone in Shandong, was completed on July 24, offering a replicable model for similar basins. Covering 7,300 square kilometers with 10.52 billion tons of resources, it was once deemed commercially worthless by foreign technology. Since the 2021 breakthrough, daily output has risen from 100 to over 2,400 tons**. (Global Times)**

China To Boost Coalbed Methane Reserves, Output In Eastern Ordos Basin
China rolled out the 2026-2030 action plan for coalbed methane (CBM) development in the eastern Ordos Basin, targeting 600 billion cubic meters added proven reserves and 18 billion cubic meters output (over 16 billion cubic meters from deep seams) by 2030 across Shanxi, Shaanxi and Inner Mongolia via exploration, capacity building, technical support and infrastructure upgrades. **(Sina Finance)**

H1 Oil Price Swings Drove Diverging Performance Across the Crude Oil Value Chain
In H1 2026, Brent crude volatility caused divergent performance across China's oil industry chain. Buoyed by widening refining margins and low-cost inventories, integrated refining-chemical leaders saw sharp profit surges, Hengli +136%, Rongsheng up 730-764%, Shenghong rose 987-1195%, Hengyi jumped 2326-2547%. While downstream textile firms faced compressed profits due to raw material inflation and pre-locked orders. **(Sina Finance)**