

NEWSLETTER

OIL & GAS

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Multilayered defense bolsters China's oil reserves amid geopolitical volatility

The situation in the Middle East has disturbed the energy market. China is relying on land pipelines and increasing production to build energy barriers. Crude oil production in 2025 hit a record high of 216 million tons. In the first two months of 2026, production increased by 1.9% to 35.73 million tons. The increase in oil and gas equivalent has exceeded 10 million tons for the ninth consecutive year. **(China Daily)**

Nation's oil buffer shields energy supply

Tensions in the Strait of Hormuz have boosted global oil volatility. China's crude oil imports increased by 16% from January to February to 96.93 million tons. The 19 million-ton strategic petroleum reserve can support a six-month supply disruption from the Middle East. Import sources are diversified, land routes are complete, oil consumption accounts for a low proportion, and energy supply is solidly guaranteed. **(China Daily)**

China's natural gas import dependence hit a record low of 40%

In 2025, China's domestic natural gas production reached 262.06 billion cubic meters, an increase of 6.3%, marking the ninth consecutive year of production growth exceeding 10 billion cubic meters, with import dependence hitting a new low during the 14th Five-Year Plan period. Natural gas imports totaled 176.46 billion cubic meters, a decrease of 2.8%, with pipeline gas increasing by 8.0% and LNG decreasing by 10.6%. **(Sohu)**

Southwest Oil & Gas Field natural gas production exceeds 10 billion cubic meters

On March 11, China National Petroleum Corporation's Southwest Oil & Gas Field Company's cumulative natural gas production this year exceeded 10 billion cubic meters. Its subsidiary, the Yanting Natural Gas Processing Plant, is the first domestic multi-condition cryogenic processing plant covering the entire natural gas chain, and its daily processing capacity has steadily increased to 6 million cubic meters. **(China Petroleum News Center)**

Middle East energy supply disruptions drive Russian crude oil exports to China to record high.

The suspension of shipping in the Strait of Hormuz has led to tight energy supplies. Russia, with its secure shipping routes and discounted oil prices (widening to \$11/barrel), has become the main source of crude oil for China. In February 2026, China received an average of 2.07 million barrels of Russian oil per day, while Iranian supplies dropped to 1.03 million barrels. **(Toutiao)**