

Brazil Becomes One Of China's Top Oil Suppliers

Brazil climbed to number three among China's crude oil suppliers last month thanks to continued purchases by independent refiners, whose quotas for imported crude oil are running out.

Imports of Brazilian crude oil stood at 4.49 million tons in September, according to a Reuters report. This translates into an average daily purchase rate of close to 1.1 million barrels, based on a conversion factor of 7.33 barrels to the ton. This compares with 2.96 million tons, or 723,000 bpd, a year earlier.

The January-September total of Brazilian oil exports to China stood at 33.69 million tons, which equaled about 915,000 bpd. This was a 15.6-percent increase on the year, Reuters said, based on its own calculations.

China's total imports during the first nine months of the year jumped by 13 percent despite the pandemic as refiners gobbled up dirt cheap crude oil from wherever they could. Russia was the biggest supplier of crude to Asia's now largest economy for most of that time. It enjoyed a 16-percent increase in exports to China. The country's number-two supplier, Saudi Arabia, recorded a 6.5-percent increase on the year during the nine-month period.

Brazil managed to expand its crude oil exports this year, at least during the first half, despite the pandemic. Most of the oil went to Asia as economies there reopened after the lockdowns, and Petrobras could offer more attractive terms than competitors, Reuters noted in a July report.

The state energy company also has plans for a production ramp-up next year. According to these plans, Petrobras should see a rise of 300,000 bpd in its production total by the end of 2021, to reach 3.12 million bpd.

This year's output will also be higher than last year's, again despite the pandemic. Petrobras slashed its planned spending like every other oil and gas company, but production continued to grow thanks to developments in the presalt zone, estimated to contain most of Brazil's hitherto undeveloped oil and gas riches.

Source:

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