

Nikki Haley to China: Cut off oil to North Korea, or we'll take the situation into our own hands

-U.S. Ambassador to the UN Nikki Haley said China must stop exporting crude to North Korea, or “we can take the oil situation into our own hands.”

-The warning came after North Korea tested a ballistic missile on Tuesday.

-The United States has been trying to convince China to completely cut off crude oil exports to North Korea.

U.S. Ambassador to the United Nations Nikki Haley on Wednesday appeared to threaten to disrupt Chinese crude oil shipments to North Korea following the hermit kingdom's test of an intercontinental ballistic missile on Tuesday.

China's refusal to completely cut off energy exports to North Korea have been a sticking point as the United States leads the charge to rein in Pyongyang's nuclear weapons program.

Haley revealed during a speech at the United Nations headquarters in New York City that President Donald Trump called Chinese President Xi Jinping on Wednesday morning to tell him the time has come for China to cut off crude oil supplies to North Korea.

“We now turn to President Xi to also take that stand. We believe he has an opportunity to do the right thing for the benefit of all countries. China must show leadership and follow through. China can do this on its own, or we can take the oil situation into our own hands,” she said.

It was not immediately clear what actions the United States would take, but the Treasury Department has developed sophisticated sanctions over the last decade. Those sanctions, leveraging the economic heft of the United States, can be used to lock companies out of the global financial market.

China announced in September it would reduce shipments of refined petroleum products to North Korea to 2 million barrels per year. Last year, China sent 6,000 barrels of oil products per day to North Korea necessary to keep its agriculture,

transportation and military sectors running, according to the U.S. Energy Administration.

China continues to send North Korea crude oil, the raw input for fuels like gasoline and diesel. China ships an estimated 10,000 barrels per day to North Korea's only operating refinery near the Chinese border, EIA says.

Haley said that crude oil is the driver of North Korea's nuclear program. She noted that North Korea came to the negotiating table shortly after China briefly cut off oil shipments in 2003. U.S. sanctions have helped to disrupt 90 percent of North Korean trade and 30 percent of oil imports, she said.

"We need China to do more," she said. "That would be a pivotal step in the world's effort to stop this international pariah."

Source: <https://www.cnbc.com/2017/11/29/nikki-haley-to-china-cut-off-oil-to-north-korea-or-else.html>

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