

# Russia Tightens Oil Grip in Top Market China

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(Bloomberg) — A second Sino-Russian oil pipeline began operations on New Year's Day, doubling China's capacity to import crude from the East Siberia-Pacific Ocean system.

China can now import 30 million tons annually (about 600,000 barrels a day) of Russian ESPO crude via pipeline, up from 15 million tons before the second branch opened, the official Xinhua News Agency reported Monday.

The two lines run parallel to each other between Mohe at the border and Daqing in northeast Heilongjiang Province, the state media organization said.

Russia pipped Saudi Arabia most of last year as the top crude supplier to China, the world's biggest buyer. The ESPO system, a key piece of Russia's efforts to export more energy to Asia, pumps crude directly to China via the two links and to the far eastern Pacific port of Kozmino for seaborne shipments.

The project is intended to deepen energy cooperation between the countries and serve the China-proposed Belt and Road Initiative, according to Xinhua. Russia also aims to start

natural gas sales via the Power of Siberia pipeline by December 2019.

The first link started pumping Russian crude directly to China in 2011 and China National Petroleum Corp. started laying the second line in mid-2016.

The country's biggest oil and gas producer finished installing the 942-kilometer line Aug. 1.

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