

China oil majors barred from expanding refineries

August 30 2013



In this Nov. 27, 2008 file photo, a worker is seen at a Sinopec oil refinery in Wuhan, in central China's Hubei province. Environmental regulators have taken the unusual step of blocking China's two biggest oil producers, PetroChina and Sinopec, from expanding their refining capacity after they failed to meet pollution targets. (AP Photo/File)

Environmental regulators have taken the unusual step of blocking China's two biggest oil producers from expanding their refining capacity after they failed to meet targets for reducing pollution.

The penalties for PetroChina and Sinopec are a fresh blow to China's state-owned [oil industry](#) following this week's announcements that four senior executives are under investigation for unspecified offenses.

Such penalties are unusual in China, where critics complain regulators ignore environmental violations by state-owned companies. But Chinese leaders face growing public pressure to curb industrial emissions that have made China's major cities some of the world's most polluted and fouled [water supplies](#) and [farmland](#).

PetroChina and Sinopec failed to meet targets for reducing "chemical oxygen demand," a measure of pollutants released into rivers and other bodies of water, the Ministry of the Environment announced.

"Approval for PetroChina and Sinopec Group Co. for new, rebuilt or expanded [refinery](#) projects is suspended," said a ministry statement. It said projects that will improve gasoline quality or cut pollution and [energy use](#) can proceed.

PetroChina Ltd., the main operating unit of state-owned China National Petroleum Corp., is Asia's biggest oil producer by volume and Sinopec, also called China Petroleum & Chemical Corp., is the region's biggest refiner.



In this Oct. 21, 2012 photo, smoke billows out of chimneys of a PetroChina refinery plant in Shenyang, in northeast China's Liaoning province. Environmental regulators have taken the unusual step of blocking China's two biggest oil producers, PetroChina and Sinopec, from expanding their refining capacity after they failed to meet pollution targets. (AP Photo)

The government announced earlier this week that a CNPC vice president, two PetroChina vice presidents and the chief PetroChina geologist were under investigation on suspicion of "serious discipline violations."

The announcements gave no details but that term often is used to

describe embezzlement or other corruption.

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Citation: China oil majors barred from expanding refineries (2013, August 30) retrieved 6 May 2024 from <https://phys.org/news/2013-08-china-oil-majors-barred-refineries.html>

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