

Chinese State Oil Major Suspends U.S. Oil Imports Amid Trade War

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Due to the rising trade tension between China and the United States, the trading arm of Chinese state oil major Sinopec has suspended imports of crude oil from the United States, Reuters [reported](#) on Friday, citing sources familiar with the plans.

Sinopec's trading unit, Unipec, has not booked new purchases of U.S. crude oil at least until October, one of Reuters' sources said. Yet it was not immediately clear how long the suspension of U.S. oil imports would last.

Earlier this year, Unipec had planned to trade up to 300,000 bpd of U.S. crude oil by the end of 2018, which would have been triple the volume of U.S. crude oil that it traded last year.

Amid the ongoing trade war between the United States and China, however, Chinese buyers have scaled down purchases of American oil after China threatened to impose a 25-percent import tax on U.S. energy imports if the United States imposed additional tariffs on more Chinese products.

U.S. energy exports to China [may suffer](#) if Beijing follows through with its threat to slap tariffs on U.S. oil and oil product imports.

China has, in recent years, become a key export market for growing U.S. energy exports. In fact, China is America's [second-largest](#) crude oil customer after Canada. Chinese imports of U.S. crude oil in May, for example, averaged [427,000 bpd](#), more than any other destination and surpassing Canada's 289,000 bpd imports, EIA data shows.

The possible Chinese import tariff, which would slap nearly \$18 a barrel to crude priced at \$70 per barrel, has deterred other Chinese companies, including PetroChina, state-run Zhenhua Oil, and independent refiners from importing U.S. crude, Reuters' sources say.

According to trade flow data by Thomson Reuters Eikon, Chinese imports of U.S. crude oil averaged 334,880 bpd between January and August this year. Yet, only three supertankers are currently sailing to China, carrying a total of just 197,515 bpd of U.S. oil to arrive in September, the trade flow data showed.

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