



## **EXPERTS CALL FOR STRATEGIC METHANOL RESERVES IN CHINA**

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BEIJING, Nov 24, 2008 (Asia Pulse via COMTEX)

Chinese experts are urging the central government to establish national strategic methanol reserves in a bid to safeguard national energy security.

More than a score of top Chinese scientists with the Chinese Academy of Engineering (ACE) submitted a proposal to the government supporting the establishment of strategic methanol reserves a few months ago, said Ni Weidou, a research fellow with ACE.

Speaking at U.S.-China Green Energy Conference in Beijing, Ni said methanol reserves could be built in the Chinese hinterland such as the Inner Mongolia Autonomous Region, Shanxi Province and Shaanxi Province, which boast enormous coal reserves.

Technically, it's mature for methanol to substitute partial product oil in China with national standard on 85 per cent methanol fuel oil anticipated to come out this year.

It will have substantial significance to China's energy security if million of tons of methanol reserves are in place, said Ni.

It's predicted China will produce 100 million tons of coal-based methanol and DME in 2020 with 6.39 million tons of methanol capacity added within 2008.

By early November, China had 22.785 million tons of methanol production capacity and saw the methanol price plunge this June due to oversupply, methanol inflows from the Middle East and demand shrinkage.

By now, partial methanol producers have cut or shut down methanol production facilities in a bid to shore up prices.

China launched the building of four crude oil reserve bases in Zhenhai, Zhoushan, Huangdao and Dalian in 2003 with overall capacity of 14 million tons.

It's reported that the government has mapped out plans for the construction of second batch of crude oil reserves in areas away from coastlines.

(XIC)