

Sinopec open to foreign investors in retail arm revamp
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Asia's top oil refiner Sinopec Corp said the upcoming sale of its lucrative retail oil business will be open to foreign investors as well as domestic companies, state news agency Xinhua said.

Sinopec said last month it plans to sell up to 30% of its retail oil business to private investors in a multi-billion dollar restructuring aimed at boosting the value of its sprawling downstream arm.

Foreign investors have shown a stronger interest in the sale process than local companies, Xinhua reported late yesterday, citing Chairman Fu Chengyu.

Sinopec has begun to evaluate assets in its distribution sector and is still working on the restructuring process, Xinhua said.

Analysts have said that Sinopec could bring in strategic foreign players, such as Royal Dutch Shell or BP, which it already has joint ventures with.

The proposed stake sale in state-run Sinopec's marketing arm, which owns more than 30,000 petrol stations, comes as China is looking to promote private investment in the country's oil industry and vowed in November to let the private sector play a bigger role in the economy.

State giants China National Petroleum Corporation and China Railway Corporation have also said they were seeking investments from private and social capital, such as funds sourced from pension funds and insurance companies.

For the energy sector, analysts said there would be more opportunities for foreign players in areas where they have technological advantages, particularly in the development of unconventional gas resources. – Reuters, March 8, 2014.

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