

Chinese oil giants enjoy profit rises despite weak economy
Malaysian Insider
24 March, 2014

China's major onshore oil firms Sinopec and PetroChina said profits rose in 2013, despite weakness in the world's second largest economy.

Sinopec – a listed unit of China Petrochemical Corp – saw net profit edge up 3.5% year-on-year to 66.1 billion yuan (RM35.13 billion), it said in a statement yesterday, with revenue up 3.4% at 2.9 trillion yuan thanks to "stable" domestic demand.

"China's economy kept turning for the better, so demand for oil and petrochemical products in the domestic market grew stably," Sinopec chairman Fu Chengyu said in the statement.

This year "China's industrialisation and urbanisation push will facilitate stable growth in demand from the oil and petrochemical markets, and provide room for development of the company," Fu said.

Sinopec was held partly responsible for a deadly pipeline explosion that killed more than 60 people in the eastern city of Qingdao in November, and caused losses of more than US\$100 million (RM330.35 million).

Fu said the company had learned "unforgettable painful lessons" from the incident and vowed to improve safety, but gave no details on how it affected the bottom line.

Separately, PetroChina saw net profit jumped 12.4% year-on-year to 129.6 billion yuan in 2013 "despite the complex global and domestic economic environment".

Revenue for PetroChina, a listed unit of China National Petroleum Corp, rose 2.9% from a year earlier to 2.3 trillion yuan, the company said.

"Domestic demand for oil and gas will likely maintain fixed growth as the long-term trend of the domestic economy improving remains unchanged," PetroChina chairman Zhou Jiping said in a statement.

Both companies' shares were down in Shanghai trading today, with Sinopec dropping 1.34% and PetroChina 0.26% lower by midday.

But in Hong Kong, where they are also listed, Sinopec gained 1.96% while PetroChina jumped 3.69%. – AFP, March 24, 2014.

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Source: <http://www.themalaysianinsider.com/business/article/chinas-oil-giants-enjoy-profit-rises-despite-weak-economy>