

China to update rules for fuel storage firms

The Chinese government has drafted new regulations to update oil and fuel storage policies issued in 2006. The proposed changes are seen to help loosen state-owned companies' hold on the tank storage industry and allow private firms to invest in the sector.

According to Reuters, one of the primary proposals is to remove the requirement for distributors and storage companies to have secure and steady supplies of refined products, which currently state-controlled corporations can meet. The clause, however, will still remain for crude oil.

On tank capacity obligations, the new draft proposes that companies must have a minimum storage tank capacity of 200,000 cubic meters to distribute and store crude oil and at least 20,000 cubic meters for refined products, requirements which are in line with industry averages.

Another proposed amendment would require storage companies and wholesalers of crude oil or refined oil products to apply for a permit from the provincial government, which will be subject to approval from Beijing.

Feedback on the draft rules is considered until August 19.