

Aramco, Sinopec explore downstream collaboration in China

Both companies have announced the signing of a memorandum of understanding as a basis for a continued collaboration through existing joint ventures.

Saudi Arabian Oil Company has signed a memorandum of understanding with China Petroleum & Chemical Corporation (Sinopec) through its Saudi Aramco Asia Company Limited (SAAC) subsidiary for potential downstream collaboration in China.

“This MoU represents an exciting new chapter in our long-standing relationship with Sinopec. Such collaborations promote our downstream integration and expansion strategy in Asia and support our broader objectives of becoming a global leader in liquids-to-chemicals and a resilient and reliable supplier of one of the lowest upstream carbon intensity oils to meet China’s growing demand,” said Mohammed Y. Al Qahtani, Aramco Senior Vice President of Downstream.

The memorandum provides a basis for continued downstream collaboration between Aramco and Sinopec, capitalizing on each company’s strengths and their long-term relationship through existing joint ventures. The ones include FREP and Sinopec Senmei (Fujian) Petroleum Company (SSPC) in China, and Yanbu Aramco Sinopec Refining Company in Saudi Arabia.

“Sinopec and Aramco enjoy a long history bookmarked by numerous examples of successful cooperation which continues to strengthen our strategic relationship. The signing of this MOU will support our refinery feedstock optimization and downstream petrochemical development, while offering new opportunities to deepen and expand activity amid an accelerating global energy transition,” commented Yu Baocai, President of Sinopec Corporation.

SAAC and Sinopec also aim to support Fujian Refining and Petrochemical Company, Ltd. (“FREP”) in conducting a feasibility study into the optimization and expansion of capacity.