

StarAsean+
CHINA

Ensuring energy supply despite challenges

Country to step up capacity and boost reserves

BEIJING: The Chinese government is capable of supplying the country with sufficient energy despite serious challenges as it will step up domestic energy production capacity and boost reserves to keep prices under control, according to state planning officials.

Energy and global commodities prices have soared to decade-high levels amid fears of supply disruption in the wake of Russia's invasion to Ukraine.

"Geopolitical conflicts and the changes of global energy supply and demand have challenged our safe energy supply," Lian Weiliang, a vice-director of the National Development and Reform Commission (NDRC), said on the sidelines of the country's parliament meeting.

"But we are confident we can secure the supply of energy in China," Lian said.

The state planning body plans to boost output and reserves of oil, gas as well as coal, which powers more than 60% of China's electricity generation plants.

Lian said China will be able to maintain a reasonable level of coal output.

It will also build 200 million tonnes of government-deployable coal storage, add more than five billion cubic metres of gas storage and lift the amount of the country's emergency back-up electricity to more than 30 gigawatts (GW), he said.

Some 450GW of solar and wind power generation capacity are also planned in China's Gobi and other desert regions area.

The NDRC also pledged not to limit power and gas use unless extreme situations arise — in line with Premier Li Keqiang's vow of ensuring electricity supply to residential and industrial users this year.

It also said it would step up efforts to stabi-

"We will make rational use of international resources, strengthen reserve adjustments and maintain a balance between supply and demand."

Hu Zucui

lise the output and prices of domestic grain, corn and soybeans.

"We will make rational use of international resources, strengthen reserve adjustments and maintain a balance between supply and demand," said Hu Zucui, an NDRC vice-director.

Meanwhile, China's export growth slowed in the January-February period due to the week-long Lunar New Year holiday and though the data beat expectations Russia's invasion of Ukraine has heightened uncertainty over the outlook for global trade this year.

Outbound shipments rose 16.3% in the first two months of the year from the same period

a year earlier, official data showed yesterday, beating analyst expectations for a 15% rise, but down from 20.9% gain in December.

Imports increased 15.5%, easing from a 19.5% gain in December.

That compared with a 16.5% increase forecast in a *Reuters* poll.

China posted a trade surplus of US\$115.95bil (RM484.43bil) in the same period, versus a forecast US\$99.5bil (RM416bil) surplus in the poll. That compared with December's US\$94.46bil (RM394.71bil) surplus.

The customs agency publishes combined January and February trade data to smooth distortions caused by the Lunar New Year, which can fall in either month.

Factory activity normally slows considerably during the long holiday as workers return to their home towns. But for the third year in a row, many factory workers did not return home because of concerns about Covid-19, which kept factories operating.

China's booming exports outperformed expectations for much of last year and buoyed growth in the world's second-largest economy, but analysts expect shipments to slow eventually as an overseas surge in demand for goods eases and high costs pressure exporters.

Beijing has targeted slower economic growth of around 3.3% this year amid an uncertain global recovery and a downturn in the country's vast property sector.

Russia's invasion of Ukraine late last month and mounting international sanctions on Moscow have raised fresh risks for the global economy, adding to months-long strains for China's factories from worldwide supply chain snags.

Chinese exporters with exposure to Ukrainian markets have delayed shipments, while some factories with business in Russia have been waiting for payment from their clients before arranging the next shipments, factory officials and analysts told *Reuters*. — *Reuters*