

Will China Invest Billions on Canada's Pipelines?

Scott Steele June 03, 2013



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According to the Financial Post, Zhang Junsai, China's ambassador to Canada, said his country is prepared to "deepen" ties with Canada on infrastructure development to help move oil and gas to the west coast. Is he referring to the proposed Enbridge Inc. Northern Gateway Pipeline project ?

(Newswire.net -- June 03, 2013) Calgary, AB -- The Bank of America Merrill Lynch downgraded oil prices due to China's decreased demand for oil. Does that mean China is not hoping for increased supply?

Recently Zhang Junsai, China's ambassador to Canada met with Calgary business owners where he expressed that China was relying on "breakthroughs in energy trade" to aid growth in China.

China is still a developing nation but with over 1.3 billion people it relies heavily on foreign imports for oil. According to data from the U.S. Energy information website, "China is the world's second largest oil consumer behind the United States, and the largest global energy consumer. EIA forecasts that China's oil consumption will continue to grow during 2012 and 2013 at a moderate pace. Even so, the anticipated oil growth of over 0.8 million bbl/d between 2011 and 2013 would represent 64 percent of projected world oil demand growth during the 2-year forecast period."

Looking to Canada China hopes to secure a stronger connection to oil supplies to fuel their growth.

According to the [Financial Post](#), Zhang Junsai, China's ambassador to Canada said his country is prepared to "deepen" ties with Canada on infrastructure development to help move the country's oil and natural gas to the West Coast for export.

It would seem he is referring to the proposed Enbridge Inc. (TSE:ENB)(NYSE:ENB) Northern Gateway Pipeline project. Even though there still remain many unanswered questions regarding the pipeline project from Mr. Junsai's comments there seems there would be support from China.

Referring to the pipelines Zhang Junsai informed the crowd that Chinese state-backed energy companies, "definitely they will come and invest into that."

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China already has major oil and gas investments in Canadian oil. In fact PetroChina wholly owns an oil sands development after buying out partners Athabasca Oil Sands Corp.'s shares.

"China commits to a new \$3-billion pipeline that would carry oil sands crude south. Phoenix Energy Holdings Ltd., the Canadian subsidiary of [PetroChina Co. Ltd.](#), partners with TransCanada Corp. to build a 900,000 barrel-a-day project, called the Grand Rapids Pipeline System, 500 kilometres from northwest of Fort McMurray to Fort Saskatchewan,

near Edmonton," comments the Globe and Mail.

The landscape for oil and gas production and transport is certainly changing. For more company information about oil pipelines, pipeline construction, natural gas pipeline, pipeline companies, pipeline projects, and more simply visit oilfielddirectory.com

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