

ESAI PRESS RELEASE  
January 7, 2009

## Chinese Oil Demand Growth will Slow But Not Collapse

**BOSTON, MASS.** — Energy research firm Energy Security Analysis, Inc., ESAI, sees a substantial drop in Chinese oil demand growth as being inevitable given the current global economic situation. The Wakefield, MA, consultancy's recently released China Watch suggests that Chinese GDP growth will slow due to a slowdown in manufacturing and exports, but also because of the crisis' effect on construction and real estate. The downturn in these non-export oriented sectors will have to be offset by increases in domestic consumption.

But ESAI also points out that China possesses substantial capital resources to cushion the slowdown by stimulating the economy. "It'll take time before China can put long-term strategies into place to spur domestic demand, but in the meantime, Beijing will definitely intervene to keep the economy afloat and stem social disruption", observes ESAI Oil Analyst Meara Androphy. The report gives a worst case first half 2009 GDP growth rate of 5-6%, and a best case scenario of 7-8% in the second half of the year. It notes a likely drop in oil demand growth rates, but still an overall 2009 petroleum product demand increase of 150,000 b/d, or 2%.

For a copy of China Watch, please contact Maciek Wojdakowski at [mwojdakowski@esai.com](mailto:mwojdakowski@esai.com).

---

**About ESAI:** Energy Security Analysis, Inc. is an energy research and consulting firm located outside of Boston, Massachusetts. Since its inception in 1984, ESAI is the recognized authority on energy markets helping clients stay on top of the petroleum, natural gas, and power markets. ESAI provides market analysis and strategic decision-making support to producers and consumers of energy around the world and is dedicated to monitoring, analyzing, and synthesizing information about worldwide energy markets. Visit [www.esai.com](http://www.esai.com) for more information.