

《中国开启新油价调节机制》

China's top pricing regulator is to introduce a more flexible method for pricing domestic fuel, with adjustments allowed if the international oil price fluctuates between \$40 and \$140 per barrel.

The pricing of liquefied petroleum gas will be solely market-based, according to a statement released by the National Development and Reform Commission on Wednesday. Under the new pricing system, the commission has lowered domestic gasoline and diesel prices by 140 yuan (\$21) and 135 yuan a barrel, respectively, starting from Thursday. These cuts are equivalent to a 0.1 yuan reduction for standard gasoline and 0.11 yuan for standard diesel.

Lin Boqiang, director of the China Center for Energy Economics Research at Xiamen University, said, "Market-based pricing of liquefied petroleum gas is a good starting point.

"With sufficient supply and increased production capacity of domestic enterprises, the government will be able to see how this is implemented and further extend the pricing systems to other areas," Lin said.

The commission said that while China may not lower fuel prices further amid global falls - with oil plunging to a 12-year low of about \$30 a barrel - the main concern is protecting the nation's energy security and promoting the use of resource conservation and new-energy development to combat air pollution.

"A fuel price that is too low would deepen the level of China's dependence on the external oil market, which has already reached 60 percent. It is also detrimental to air quality and the shift toward increased use of new energy," the commission's statement said. Liao Na, vice-president of independent energy consultancy ICIS C1, said, "The new price adjustment range provides domestic producers with opportunities to better know the appropriate pricing range before a completely market-based system."

Xu Shaoshi, head of the commission, said in an article published in Study Times on Jan 4 that China will see complete market-based oil pricing by the end of the 13th Five-Year Plan (2016-20).