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A POTENTIAL OIL GAME-CHANGER FOR CHINA...

The China National Petroleum Corp. (CNPC) has discovered more than 1 billion metric tons of reserves at Qingcheng oilfield in Gansu. The proven reserves in the Ordos basin now stand at 358 million metric tons, and the new find could add another 693 million metric tons. This year, about 640,000 metric tons of oil will be produced from Qingcheng, but the oilfield's annual production capability will hit 5 million metric tons by the end of 2025. This year CNPC will finish drilling 255 wells at Qingcheng, and to date 100 have been put into use. Developing domestic crude production is critical for China, which is the world's largest consumer of oil, and imported 440 million metric tons of crude oil in 2018 – an 11% year-on-year increase. (*China Daily*, October 28, 2019)

...AND NEW NATURAL GAS WEALTH FOR THE PRC

CNPC has also reported some 740.97 billion cubic meters of newly added proven shale gas reserves, which have been explored in the Sichuan Basin. The Sichuan shale gas blocks have a total proven reserve of 1.06 trillion cubic meters, according to the company. This year, CNPC plans to produce 7.7 billion cubic meters of shale gas and by the end of 2020 output will expand to more than 10 billion cubic meters. (*Russia Times*, September 30, 2019)

A KAZAKH INVESTIGATION INTO CHINA-LINKED TRANSPORT PROJECT

Kazakhstan is investigating former senior officials who initiated an ill-fated \$1.5 billion loan from the China Development Bank (CDB) to finance 22 km light rail network in the capital, Astana (now known as Nur-Sultan). "This is a very questionable project... economically incomprehensible. I do not understand how it could have been launched. I ask the anti-corruption agency to step up the investigation, it should not be superficial," Kazakh President Kassym-Jomart Tokayev has said. In 2015, Kazakhstan signed deals with several Chinese state-owned companies to build the light rail network, which was supposed to be finished in time for the country's 2017 Expo. But the project was delayed due to financial difficulties – including \$200 million that was frozen when a local bank went bust. Construction was halted last spring, when the city and CDB could not agree on the terms for the next loan tranche. Because of high costs and heavy penalties for pulling out of the deal, Kazakhstan will have to complete the project, Tokayev said. (Reuters, October 8, 2019)

PRESIDENT TRUMP CALLS ON CHINA TO INVESTIGATE BIDEN

President Donald Trump has called on China to investigate the business ties of Hunter Biden, the son of democratic presidential candidate Joe Biden. "China should start an investigation into the Bidens. Because what happened in China is just about as bad as what happened with Ukraine," Trump said. Trump said he had not asked President Xi Jinping to investigate the Bidens but it is "certainly something we could start thinking about." When asked about the President's request, China's Foreign Ministry spokesperson replied: "We have no intention of intervening in the domestic affairs of the United States." (Al Jazeera, October 3, 2019; CNBC, October 8, 2019)

BEIJING TO PRAGUE: CANCELLING SISTER CITY PACT A "BREACH OF FAITH"

The Prague city council has decided to cancel a partnership agreement with Beijing that would have required it to commit to the "one China" principle and affirm that Taiwan is a part of China. The decision comes after the city's mayor refused a Chinese demand to eject a Taiwanese official from a conference. "This type of action can be termed a breach of faith, and does harm to China and the Czech Republic's relationship and the atmosphere of cooperation and exchange. We urge the Prague city government to make a fresh start and to return to the correct path that promotes the development of bilateral relations. Otherwise, ultimately, the damage will be their own interests," China's embassy in the Czech Republic said on its WeChat. (Reuters, October 9, 2019)