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Russia Beats Saudi Arabia to Become China's Top Oil Supplier

By The Moscow Times

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A gas pump is seen hanging from the ceiling at a petrol station in Seoul.

Russia surpassed Saudi Arabia to become China's top oil supplier in May, news agency Bloomberg reported Tuesday, underlining the Kremlin's efforts to boost ties with Beijing amid frosty relations with the West over the Ukraine crisis.

Russian exports accounted for one-third of all China's oil imports in May, rising 20 percent from the previous month to top 3.9 million tons, Bloomberg reported, citing data from China's custom's agency. Saudi Arabian deliveries slumped 42 percent to 3.05 million tons in May, the report said.

The data come as Moscow touts an "Asia pivot" that has seen Russian energy companies sign a number of major trade deals with China, including a $400 billion gas supply deal sealed by state-owned Gazprom last year after years of foot-dragging.

Russian energy firms have also expanded the sale of oil in China's yuan currency.

However, Russia has competition for China's oil-hungry market — the world's second largest. The African nation of Angola was China's biggest oil supplier in April and the second-largest exporter to China in May, with 3.26 million tons of oil, Bloomberg reported.

Western sanctions on Moscow over the crisis in Ukraine, where Russia is accused of supporting separatist militias, are one factor pushing Russia to expand trade with Asia, but they tell only part of the story.

Russia's focus on China's oil market got a big boost in 2013 when state oil major Rosneft signed a 25-year contract worth $270 billion with Chinese state-owned oil company CNPC for the delivery of 365 million tons of oil, as a well as a 10-year $85 billion agreement with oil firm Sinopec.

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