

China Gas Station Industry Report, 2007-2008



China's total vehicle quantity has increased rapidly in tandem with its fast economic development. China had a total of 56.96 million vehicles in 2007 and is expected to have more than 100 million vehicles in 2020. It implies that the scale of China's auto aftermarket is increasing rapidly and China auto consumers have made a new demand for the operation and service of gas station.

At present, China's competition of gas station industry mainly exists between its two giants, China Petrochemical Corp. or Sinopec Group and China National Petroleum Corporation or CNPC, which are also faced with competition from other domestic oil product companies and joint venture oil product companies. The competition between the two oil giants focuses on the change of their marketing concepts, which is experiencing a shifting from a company-oriented marketing to a consumer-oriented one and a shifting from price competition to brand competition.

Non-oil product business in gas stations overseas has already stepped into a maturity. The number of gas stations offering non-oil product business service run by BP, TOTAL and Royal Dutch Shell etc. in Europe accounts for 85% of the total. The number of gas station/convenience store in the United States of America accounts for 85% of the total. Non-oil product business profit of gas stations amounts to 20% to 40% of the total.

China's non-oil product business of gas stations is just in its infancy and still has a great space for development. By the end of 2007, 2,940 gas stations run by CNPC have offered non-oil product business service in varying degrees with their combined sales revenue reaching CNY655 million in the full year of 2007.

China Total Number of Gas Stations and Market Shares, 2000-2007

	Sinopec		CNPC		Others	
	Qty.	Shares	Qty.	Shares	Qty.	Shares
2000	20259	30.0%	11350	16.8%	36000	53.2%
2001	24062	31.6%	12102	15.9%	40000	52.5%
2002	24000	32.8%	13160	18.0%	36000	49.2%
2003	24506	31.5%	15231	19.6%	38000	48.9%
2004	26581	31.7%	17403	20.7%	40000	47.6%
2005	27367	31.3%	18164	20.8%	42000	48.0%
2006	28801	32.7%	18207	20.7%	41000	46.6%
2007	28976	31.9%	18846	20.8%	43000	47.3%

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