Because 20 years of economic growth have brought China an increase in energy demand that has outstripped domestic sources of supply, the nation became a net oil importer in 1993, and its dependence on energy imports is expected to grow over the next two decades. Some analysts estimate that China will need to import some 60 percent of its oil and at least 30 percent of its natural gas by 2020. The gap between domestic supply and demand has meant that the Chinese government must look abroad for energy resources, abandoning its traditional goal of energy self-sufficiency. China’s increasing energy imports are a matter of great concern to both the Chinese government, which seeks to ensure that China has the energy resources it needs to sustain economic growth, and Western analysts, who are worried about the international political implications of China’s quest for energy security.

This report argues that China’s energy security activities can largely be explained in terms of the Chinese government’s long-standing fear of foreign energy dependency, particularly China’s reliance on energy resources controlled by the United States. Chapter Two examines energy demand and supply in China, highlighting China’s increasing dependency on energy imports. Chapter Three discusses Chinese policies in response to the country’s growing shortfall of domestic energy resources. Chapter Four explains how China’s energy security activities are shaped by the government’s desire to reduce the vulnerability of its energy supply to American power.