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CHINA'S FIRST STRATEGIC OIL RESERVE FACILITY TO BE READY IN AUGUST

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China will complete construction of its first strategic oil reserve facility in August, state press reported Saturday.

The plant, which will have the capacity to hold 5.2 million cubic meters (32.7 million barrels) of crude oil is located in the coastal city of Zhenhai in China's eastern province of Zhejiang, the China Daily reported.

Huge tanks are also being constructed at three other sites.

There will be a second plant built in Zhejiang and one each in the eastern provinces of Liaoning and Shandong, Xu Dingming, an energy official at the National Developmental and Reform Commission told the paper.

"A lot of people ask what China should do (with the tanks) as global crude prices are soaring," the paper quoted Xu as saying.

"We have our own solutions but I won't disclose them."

Chinese officials said earlier this year that they would begin filling the Zhenhai facility by the end of the year, but soaring prices may cause a delay. China hopes its reserves will be able to hold up to half a year's supply of oil within 10 years.

The four strategic oil reserve bases are expected to hold supplies for at least 30 days.

China, the world's second-biggest oil consumer after the United States, used about 318 million tons of oil last year, of which 40 percent, or about 127 tons were imported, the paper said.