China is set to further expand its massive oil refining capacity this year, offering support to global oil prices, and U.S. producers in particular, but its plans spell more gloom for Asia’s hard-hit refining industry.

Already the world’s No.2 oil refiner after the United States, China added 800,000 barrels per day (BPD) of capacity last year – 80% of the United Kingdom’s refinery throughput – and analysts expect a further 460,000 BPD to become operational in 2020.

Domestic demand, however, has failed to keep pace. Chinese exports of diesel, gasoline and jet fuel combined jumped 20% in 2019, reaching as far as Mexico, Nigeria and Italy, and weighing on global refining margins.

Asian benchmark refining margins for diesel and jet fuel are already languishing at more than two-year lows, and an increase in Chinese shipments is expected to add further pressure.

Analysts expect aviation fuel and gasoline to lead China’s export growth this year due to bulging supplies and slackening domestic consumption, with the coronavirus outbreak adding to concerns, pinching refining profits at regional exporters such as South Korea and Singapore.

China is already Asia’s No.1 exporter of gasoline and jet fuel and ranks No.3 in diesel after India and South Korea.

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