

8 April 1994

HIGHLIGHTS

- OECD demand in both 1Q94 and 2Q94 has been revised upwards 0.1 mb/d, to 40.4 mb/d and 38.2 mb/d respectively, to take account of the effects of the cold weather in North America in January and February and recent evidence of stronger underlying demand growth in the US. February demand in the OECD is estimated to have been particularly strong as peak winter demand in Japan and a recovery in European gasoil deliveries reinforced the weather-related increase demand in the US.
- Non-OECD demand outside the FSU is now projected to increase 0.9 mb/d in 1994, marking a slightly slower rate of demand growth than that seen in 1991-93. Chinese demand is projected to increase to almost 3.2 mb/d from a revised 3.0 mb/d in 1993 despite recent efforts to curb oil imports temporarily.
- World oil supply is estimated to have declined in the first quarter by 0.3 mb/d to 67.8 mb/d. First quarter increases in oil production from the North Sea, Australia and some Asian non-OPEC countries were more than offset by a sharp drop in Russian output in February and additional declines in the US and Canada. Based on preliminary estimates, OPEC production in March moved up marginally to 24.9 mb/d from 24.8 mb/d in February. Higher output from Iran, Libya and the Neutral Zone accounted for all of the gain.
- Following a contra-seasonal build in OECD industry stocks in January, preliminary estimates indicate a decline of 1.6 mb/d in February, with the largest draw occurring in middle distillates consistent with the strong level of demand. Following a period of year-on-year increases in industry stocks between April and December 1993, end-February stocks were 2.1 million tons (mt) lower than a year earlier, at 318 mt. Total gasoline and distillate stocks were slightly below last year's levels while fuel oil stocks continued to be appreciably lower. In contrast, industry crude oil stocks were 3.4 mt higher and Japanese government-controlled stocks were up year-on-year by 1.9 mt.
- The price of dated Brent rose sharply in mid-March in response to strong demand in Europe for prompt crude due to higher refining margins and restricted Russian crude exports. Crude prices dipped almost \$1/bbl immediately after the OPEC meeting on 25-26 March before rebounding strongly in early April due to a combination of fundamental and technical factors. The withdrawal of Chinese buyers of spot crude in early March and lower than expected demand for Dubai into India caused the Brent/Dubai differential to widen significantly during the month to its highest level since July. In Europe, the Brent/sour crude differential continued to narrow as did the LSFO/HSFO differential. US prices of distillate and LSFO dropped sharply in the first half of March following the end of the peak winter demand season.
- Brent refining margins decreased in March in the Atlantic Basin while the average Singapore Dubai margin remained little changed. Refinery throughputs in February fell in both the US and Europe as refinery maintenance shutdowns increased but rose to their normal seasonal peak in Japan. Preliminary indications for March suggest lower crude throughputs in all three markets.

DEMAND

Summary

OECD demand in 1Q94 has been revised upwards by 0.1 mb/d to 40.4 mb/d following a small upward revision to 17.8 mb/d in US demand (50 states) in the first quarter. Although there is insufficient data available at the time of writing to warrant other revisions to 1Q94 estimates, it is clear from preliminary data for the main four European economies (Germany, France, Italy and the UK) that the relatively mild weather in 1Q94 and exceptionally weak deliveries in January may result in a lower level of deliveries than the 13.8 mb/d currently projected. Conversely, demand in Japan in 1Q94 may be revised *upwards* in coming months from the current projection of 6.05 mb/d if the strength of February deliveries (6.4 mb/d) reflected higher underlying consumption rather than increases in secondary and consumer stocks ahead of the refinery shutdown season.

Revisions to December data, now available from seventeen of the nineteen European countries, have occasioned both an increase in estimated demand in Europe in 4Q93 to 14.2 mb/d (+0.2 mb/d) and an upward revision since last month's report of 1.4 mt (10 million barrels) in industry stocks at the end of December.

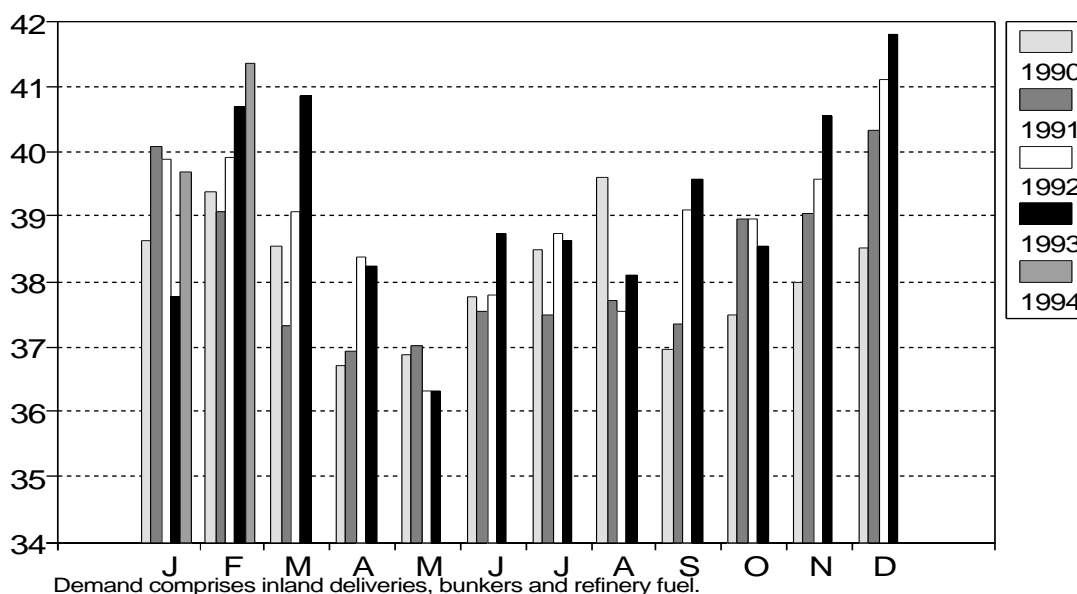
The recent strength of the US economic recovery, cold weather in January/February and continuing evidence of fuel oil-for-gas substitution at the margin by east coast utilities has prompted an increase of 0.05 mb/d in projected US demand in 1994 to 17.6 mb/d from 17.2 mb/d last year (+2.6 per cent), assuming a 3.1 per cent increase in real GDP.

Non-OECD demand outside the FSU is projected to rise 0.9 mb/d in 1994, compared to an estimated 1.1 mb/d in 1993, in view of the recent tentative signs of a gradual slowdown in the rate of demand growth in parts of Asia and Latin America (see Table 1). Chinese demand, estimated from adjusted trade data, is projected to rise 0.2 mb/d (7 per cent) in 1994 compared to 11 per cent in 1993 on the assumption of a slowdown in the rate of GDP growth from the 13 per cent witnessed last year.

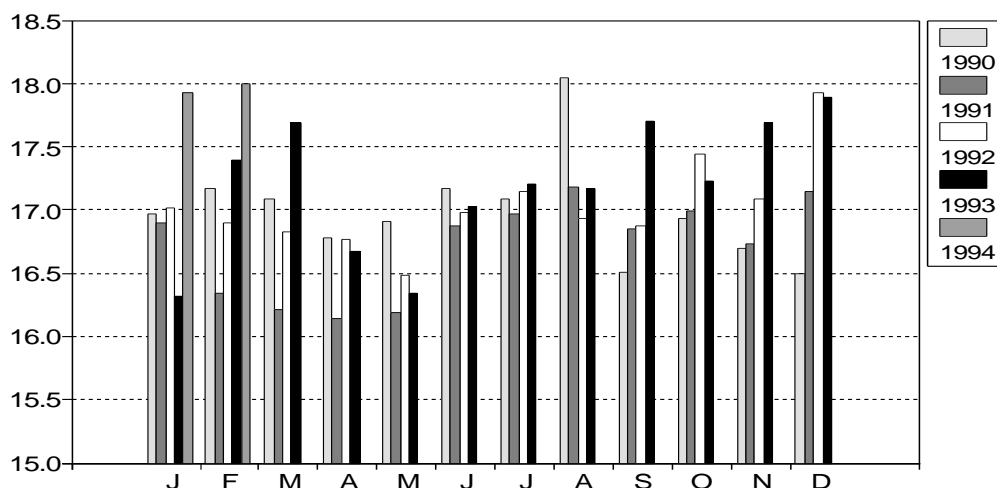
OECD

Based on preliminary data for the seven major OECD consuming countries, OECD oil demand is estimated to have been about 41.3 mb/d in February as unusually cold weather in North America in January/February coincided with the habitual winter peak in Japanese product demand and a recovery in European deliveries after an exceptionally weak January due to mild weather and high consumer stocks. This marks one of the highest levels of monthly OECD demand in recent years, matching that of December 1989 and surpassed only in December last year when stockbuilding in advance of consumer tax increases boosted European demand.

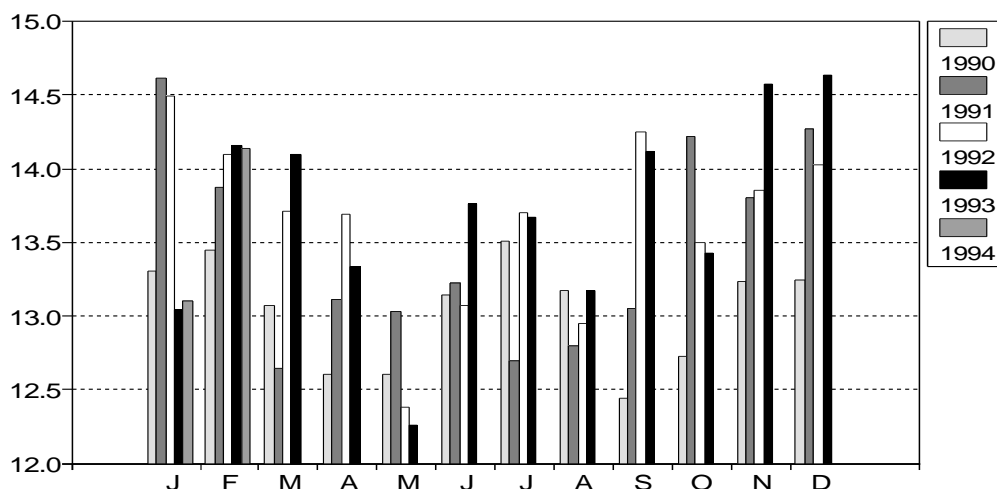
OECD Oil Demand Jan 1990 - Jan 1994
(million barrels per day)



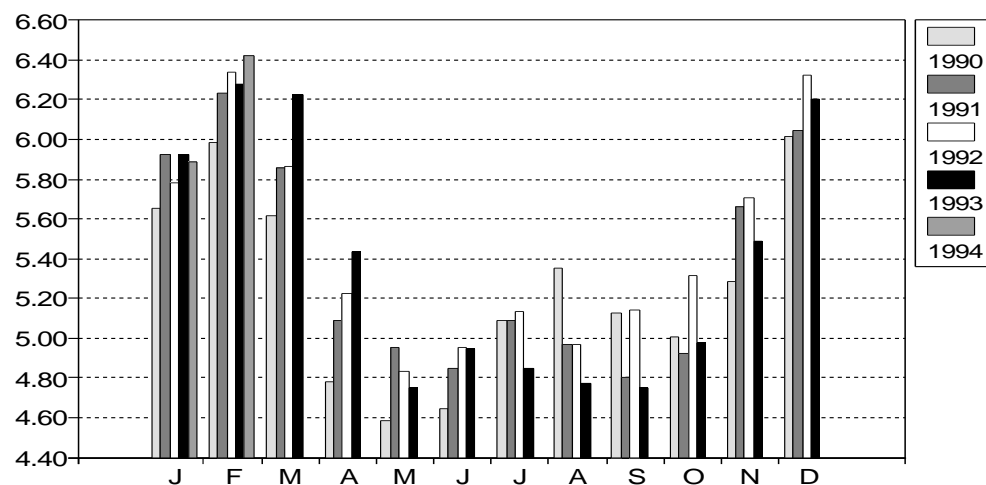
US Oil Demand 1990 - 1994 (million barrels per day)



European Oil Demand 1990 - 1994 (million barrels per day)



Japanese Oil Demand 1990 - 1994 (million barrels per day)



The strength of OECD demand in February (and in January in the US) fundamentally transformed the physical supply/demand balance in the space of two months. The historically high levels of industry-held primary stocks of crude and products evident in 4Q93 appears from preliminary data to have been significantly reduced, if not entirely eradicated, by the effects of cold weather, thereby raising the prospect of a "normal" seasonal increase in industry stocks in 2Q94.

United States

Unusually severe winter weather in the eastern half of the US between late December and mid-February raised US demand in January and February by more than 1 mb/d compared to the first two months of 1993. Domestic deliveries in February are expected to have averaged 18 mb/d, up slightly from the revised figures of 17.9 mb/d in January. Underlying consumption is thought to have been higher in January but deliveries in February were boosted by the need to replenish distributors' and end-users' stocks depleted in January. As in January, the year-on-year increase in deliveries was concentrated in distillate (+9.6 per cent) and residual fuel oil but the cold weather also raised deliveries of jet kerosene for blending into diesel and of propane for electricity generation.

Residual fuel oil demand is expected to average 1.2 mb/d in 1Q94 compared to 1.07 mb/d in 1Q93 due to increased purchases by utilities. At the end of March, low sulphur fuel oil (LSFO) continued to enjoy a price advantage over natural gas on a BTU basis in both the north-eastern states and Florida for April delivery, suggesting that some utilities which switched from natural gas to LSFO in January may continue to favour oil at the margin into 2Q94. Utilities account for about 0.4-0.5 mb/d of residual fuel oil demand on an annual basis and represent one of the most price-sensitive sectors of demand.

Canada

Canadian oil demand, like that in the US, shows the effect of cold weather in January and February, but overall it is less sensitive than US demand to temperature variations because of the smaller role played by distillate and residual fuel oil in domestic heating and electricity generation. In Canada, oil accounts for just 2-3 per cent of fuel inputs to electricity generation due to the dominant position of hydro-electricity. February inland deliveries, as reported by Statistics Canada, showed a 2.8 per cent year-on-year increase with incremental demand, as expected, mainly in diesel and light heating oil. As in the neighbouring US, gasoline demand growth has been surprisingly strong (4 per cent per annum) in the three months to February both at the ex-refinery and retail level.

Preliminary Inland Deliveries¹ February 1994

(million barrels per day)

	Motor Gasoline		Gasoil/Diesel		Residual Fuel Oil		Total Products ²	
	mb/d	% change	mb/d	% change	mb/d	% change	mb/d	% change
USA ³	7.21	+1.2	3.81	+9.6	1.18	+4.6	17.79	+2.3
Canada	0.57	+3.1	0.52	+12.1	0.12	-13.8	1.44	+2.8
Japan	0.81	+2.5	1.39	+3.5	0.81	-6.1	6.09	+3.8
France	0.35	-4.8	0.92	-4.3	0.12	-13.9	1.87	-4.5
Germany	0.68	-4.5	1.46	+9.4	0.14	-9.4	2.84	+3.7
Italy	0.37	+1.9	0.55	-5.4	0.42	-9.5	1.81	-1.7
UK	0.53	-2.6	0.46	+3.7	0.20	-16.0	1.72	+1.9
<i>European Four</i>	1.93	-2.9	3.39	+2.1	0.87	-11.7	8.25	+0.2
Total	10.52	+0.6	9.11	+5.9	2.97	-4.3	33.57	+2.0

Sources: US EIA, Japan MITI, France CPDP, Germany MWV, UK PIA, Italy Ministry of Industry, Statistics Canada

¹ excludes refinery fuel and bunkers (except for US)

² includes other products not shown and direct use of crude oil

³ 50 states only

Percentage change is calculated versus February 1993

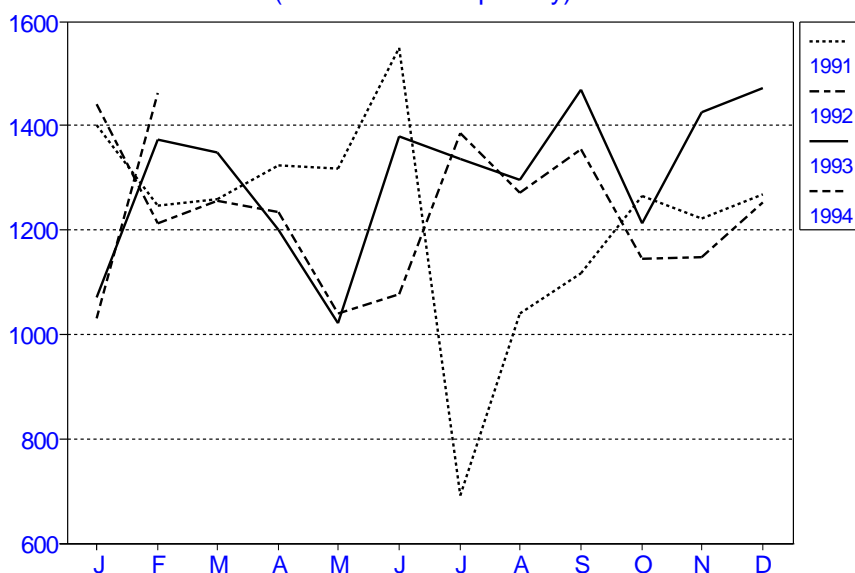
Europe

Product deliveries in the four main European consuming countries (France, Germany, Italy and the UK) increased from an exceptionally low level of 7.1 mb/d in January to 8.25 mb/d in February, little changed from the level in February 1993 (see table above). Deliveries were depressed in January by the high level of consumer stocks, especially of gasoline and diesel in Germany and France, built up in advance of end-year tax increases and by warmer than normal weather.

German distributors and consumers of heating oil returned to the market again in February with the onset of a brief period of colder weather, boosting deliveries of gasoil by more than 0.4 mb/d compared to the

January level, as shown in the graph below. Gasoline deliveries in February fell year-on-year in all main markets except Italy but diesel sales recorded gains in all four countries, notably in Germany (+9.4 per cent) and the UK (+4.8 per cent). Inland fuel oil deliveries were unchanged from January at 0.87 mb/d but almost 12 per cent below last February's level. Warmer than normal weather in the Mediterranean countries is thought to have depressed fuel oil demand especially in Italy. Deliveries to ENEL in the first two months of the year were marginally up (+2.1 per cent) to 355 kb/d but consumption by ENEL is reported to be down in the same period due to a drop in electricity output associated with relatively mild weather.

German Heating Oil/Diesel Demand 1991-1994
(thousand barrels per day)



Initial reports for the month of March indicate robust sales of transport fuels in some major markets as the distorting effects of end-year tax increases had worked their way through the product supply system. However, a continuation of the warmer-than-normal temperatures experienced in western Europe since December is expected to leave aggregate European demand slightly below the level of 14.1 mb/d recorded in March 1993 when a late winter cold spell raised heating fuel deliveries.

European demand in 1994 is now projected to grow 0.5 per cent or less than 0.1 mb/d in 1994 with incremental demand concentrated in southern Europe. Demand growth in the four major consuming countries is expected to be only marginal. German demand (2.91 mb/d in 1993) is now expected to be flat or to decline marginally in 1994, barring unusually cold weather in 4Q94 or a repeat of the end-year build in secondary or tertiary stocks, in view of increasing penetration of natural gas and the mild first quarter weather. In Italy, the latest demand forecasts from Unione Petrolifera, the oil industry association, project domestic demand in 1994 essentially unchanged from the level of 1.90 mb/d in 1993.

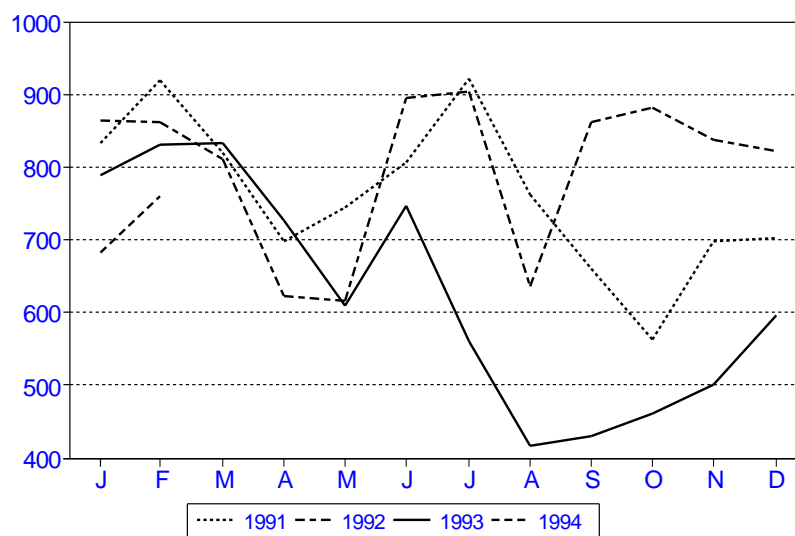
Japan

Economic indicators released in recent weeks suggest that the Japanese economy may have reached the bottom of the economic cycle and that moderate growth will resume this calendar year. Real GDP is now estimated to have increased 0.1 per cent in 1993 compared to projections made three months ago of a marginal decline. Recent electricity and oil demand figures offer some evidence of an end to the recession but not yet any sustained economic recovery. In February, typically the period of peak winter demand in Japan, oil demand reached an estimated 6.4 mb/d (including 0.47 mb/d of direct crude use). This is the first time in ten months that aggregate demand has shown any year-on-year growth. More significant perhaps is the fact that inland *product* deliveries rose 3.5 per cent versus February last year, the third consecutive month of year-on-year growth, underpinned by continuing strong gasoline and diesel demand growth of 2-3 per cent per annum.

The year-on-year increase in February owed much to cold weather which raised both domestic electricity demand by 3.7 per cent and utilities' burning of crude oil. However, all main products, with the exception of fuel oil, recorded higher levels of demand. Total deliveries of crude oil and products to utilities has

recovered steadily from the levels seen in 3Q93, as shown in the graph below, but is still running below last year's level due to increased generation in recent months from both nuclear and coal-fired plants.

Japanese Oil Use in Electricity Generation* (thousand barrels per day)



*comprises crude oil, fuel oil, naphtha, LPG and NGLs.

At the end of March, MITI released its projections of oil demand for the fiscal year 1994-95 (April 1994 - March 1995). Overall, oil use in Japan is expected to decline slightly compared to 1993-94. Marginally higher inland demand for the main fuel products (+0.1 per cent) is offset by a projected 6 per cent fall in direct crude use, leaving total domestic oil use, including LPG, down 0.3 per cent. Gasoline demand is expected to rise 2.5 per cent and diesel 2 per cent in FY1994-95 but further substitution of fuel oil in electricity generation and lower industrial use are expected to lead to a 5 per cent fall in inland fuel use to 0.65 mb/d. MITI's projections highlight the sensitivity of Japanese oil demand to electricity demand during the main heating and cooling seasons and to the rate of substitution of oil use in power generation by nuclear and other fossil fuels. In this current issue, aggregate Japanese demand in *calendar* year 1994 is expected to show a marginal increase of 0.5 per cent, assuming normal summer temperatures and hydro availability.

Australia

Preliminary figures from the Department of Primary Industries and Energy indicate that the rate of growth of oil demand has moderated from the 4 per cent per annum seen in 1H 1993 to about 2.5 per cent in the three months to February. Inland demand in February was 686 kb/d, up from 629 kb/d in January; these figures exclude approximately 85 kb/d of international bunkers and fuel consumed in Australia's high-conversion refineries.

Automotive diesel demand grew at a rate of more than 5 per cent through most of last year as the economic recovery strengthened but in recent months has fallen back to about 3 per cent. Diesel accounts for about 36 per cent (185 kb/d) of Australia's road transport fuel demand which itself accounts for almost 75 per cent of total inland use, the highest level in the OECD. As in Europe and Japan, diesel's share is continuing to increase at the expense of gasoline (300 kb/d) which is currently growing at about 1.5 per cent per annum.

Latin America

The rate of growth of economic activity in Latin America declined in 1993, not only among the main oil-exporting countries, Mexico and Venezuela, but also among the countries of the southern cone. Only Brazil among the larger countries recorded an improved economic performance measured in terms of real GDP growth. Although there is considerable variation in the evolution of energy and oil demand even among the largest economies, it appears that aggregate regional oil demand growth slowed in 1993 to about 2 per cent per annum from a peak of more than 3 per cent in 1991. Since further economic slowdown is currently projected in 1994 for the five major regional economies, with the notable exception of Mexico, regional oil demand is projected to rise more slowly in 1994 to 5.7 mb/d.

Latin American Oil Demand

(million barrels per day)

	1989	1990	1991	1992	1993*
Argentina	0.43	0.40	0.43	0.47	0.49
Brazil ⁺	1.43	1.43	1.45	1.48	1.53
Colombia	0.21	0.21	0.22	0.23	0.24
Mexico	1.66	1.70	1.80	1.82	1.83
Venezuela	0.39	0.39	0.40	0.43	0.44
Others	1.01	1.02	1.02	1.03	1.05
Total	5.12	5.14	5.31	5.46	5.59

* estimated

⁺ includes alcohol fuels (207 kb/d in 1993)

Demand comprises inland deliveries, international bunkers and refinery fuel and loss in the countries of Central and South America, including the Caribbean

Brazil

The strong economic recovery in 1993 (+5 per cent real GDP) after three years of recession was reflected in faster oil demand growth. According to Petrobras, domestic product demand (excluding alcohol fuels) rose 3.7 per cent in 1993 to 1.28 mb/d as personal consumption and industrial output recovered. Deliveries of heavily subsidised fuel ethanol grew 4 per cent to 0.21 mb/d in line with the growth of gasoline demand. The underlying rate of growth appears to have increased further in recent months as the economic recovery has progressed. In the three months to February, Petrobras figures show a year-on-year increase of more than 5 per cent in domestic product deliveries.

Since domestic production of crude and NGLs increased only modestly in 1993 (+15 kb/d), oil imports met the bulk of incremental domestic demand. There was, however, a notable shift from crude imports to product imports last year in response to the imposition of a 38 per cent tax on imported crude early in 1993 and a reduction in trade barriers among the members of MERCOSUR, the free trade zone comprising Brazil, Argentina, Paraguay and Uruguay. Crude imports fell from 0.50 mb/d in 1992 to 0.40 mb/d last year while product imports, mainly of diesel, LPG and naphtha, more than doubled to 0.28 mb/d. Imports of crude and products from Argentina, which had been minimal in 1992, rose to 70 kb/d last year displacing crude imports from Mexico and Gulf countries. By the beginning of 1994, oil imports from Argentina, which are not subject to the import tax, were running at more than 100 kb/d, second only in volume to those from Saudi Arabia.

Venezuela

The near-stagnation of the Venezuelan economy in 1993, after an average GDP growth of 7.8 per cent in the three previous years, restricted the rate of domestic product demand growth to an estimated 3 per cent in 1993, compared to 9 per cent in 1992. Total oil demand is estimated to have been 0.44 mb/d as domestic product deliveries, excluding bunkers and refinery fuel, increased to 0.37 mb/d, a level last seen in 1988. Demand for gasoline, which accounts for half the domestic product market, continued to grow at more than 3 per cent per annum under the influence of continuing government subsidies.

Mexico

Preliminary figures from PEMEX indicate that annual oil demand slowed down in 1993 to 1 per cent as the Mexican economy itself grew more slowly (0.4 per cent GDP growth versus 2.6 per cent in 1992). Demand for transport fuels increased 1.5 per cent, more slowly than in recent years, while residual fuel oil use recorded a further absolute decline to 0.38 mb/d. A sharp drop in petrochemical output is also believed to have reduced non-energy product demand.

China

In early March, the Chinese authorities issued a temporary ban on the import of crude oil and products under spot contracts in an attempt to reduce domestic stock levels which by February were threatening to restrict domestic crude production and refinery throughputs in the eastern provinces. Imports under term contracts and third-party processing contracts were apparently not affected although some Chinese term buyers of crude and products were reported to have asked for the postponement of deliveries. The ban, effective on 1 March, was initially expected to last through April and perhaps May but already by early April there were signs of some renewed Chinese buying interest in both crude and product markets. The issuing of import quotas and licenses for 1994, originally expected in February, has also been delayed.

The imposition of the ban severely depressed Asian crude and product markets which were already beginning to feel the effects of reduced Chinese buying. Although China imports a much smaller volume of crude and products than Japan, the higher proportion of spot purchases makes Chinese buying a major factor in Asian oil markets. In the spot crude market, Oman and Indonesian crudes bore the brunt of the sharp drop in Chinese interest for April loading, reflecting their position as the largest volume sources of crude imports into China. Sellers of April Oman were forced to move cargoes to the US and by the end of March, the spot price had weakened to a 10 c/bbl discount to the official price compared to a normal premium. The virtual halt in spot gasoil and gasoline imports into the southern provinces, which averaged 50 kb/d and 175 kb/d respectively in 1993, was also quickly reflected in the Singapore product market and in the value of light regional crudes such as Tapis and Gippsland.

The physical oversupply of the Chinese market since January has highlighted both the acute lack of onshore oil storage capacity at refineries and the changes in the degree of central government control over oil trade, especially in the fast-growing southern provinces most dependent on imports. The government response to the domestic oversupply is expected to lead to a recentralisation of import licensing procedures, especially for crude oil, with Sinopec, the state refinery company, granted the bulk of licenses for the rest of the year. The intended unification on 1 May of controlled product prices (applied to volumes within the government's plan) and free market prices (for all other domestic and imported products) is also expected to influence the pattern of import and export activity but the way in which it will be implemented is not yet clear.

China's Oil Exports/Imports 1990-1993

(million barrels per day)

	1990	1991	1992	1Q93	2Q93	3Q93	4Q93	1993
Exports								
Crude	0.48	0.45	0.43	0.33	0.41	0.38	0.44	0.39
Products	0.11	0.10	0.11	0.09	0.10	0.10	0.09	0.09
	0.59	0.55	0.54	0.42	0.51	0.48	0.53	0.48
Imports								
Crude	0.06	0.12	0.23	0.09	0.25	0.22	0.70	0.32
Products	0.06	0.09	0.16	0.16	0.22	0.41	0.63	0.35
	0.12	0.22	0.39	0.25	0.46	0.63	1.33	0.67
Net Exports/(Imports)	0.47	0.33	0.15	0.17	0.05	(0.15)	(0.80)	(0.19)

Source: China's Customs Statistics

Chinese trade figures, released by the customs authorities and reproduced in the table above, show net imports of crude and products at almost 0.2 mb/d in 1993 following a surge in *reported* imports in 4Q93. According to customs figures, imports of crude and products in December were no less than 2.7 mb/d with almost half the annual quantity of crude imports (15.6 million tons) reported in the final month of the year. However, the December figures are believed to overstate by a large margin the *physical* volume of imports because monthly trade data are apparently based on the date of declaration to customs authorities and import license holders are thought to have anticipated the arrival of imports in the expectation of an end-year increase in import taxes. This interpretation appears to be supported by the sharp drop in January in reported imports of crude and products to 275 kb/d, the lowest level for eleven months.

In deriving an estimate of apparent oil demand for the calendar year 1993, incorporated in Table 1, it has been *assumed* that about one-third of the oil included in the December figures in fact arrived in 1Q94. Net oil imports in 1993 are therefore assumed to have been 0.1 mb/d and annual apparent demand 3.0 mb/d, a rise of about 11 per cent compared to the 15 per cent implied by the unadjusted trade data. Assuming a slowdown in GDP growth in 1994 from the 13 per cent observed in 1993, oil demand is expected to average 3.2 mb/d in 1994 (see Table 1). It should be noted that the quarterly estimates of demand in China which appear in Table 1 are based on our estimates and *not* derived only from oil production and official trade data.

SUPPLY

Recent Developments and Revisions

- OPEC crude oil production appears to have moved up slightly in March, to 24.9 mb/d from 24.8 mb/d in February, with marginally higher output from Libya, Iran and the Neutral Zone more than compensating for small declines estimated for Indonesia and Nigeria. Production in Saudi Arabia, Kuwait, and Venezuela is thought to have remained at or close to February levels.
- Non-OPEC supply is also preliminarily estimated to have increased in March, by 0.12 mb/d, despite lower than expected crude oil and NGL production in the US and some weather-related difficulties and planned maintenance in the North Sea. The estimated March increase follows a sharp decline in non-OPEC supply February of 0.62 mb/d, so that the March production level is still substantially below that of January. The largest non-OECD increases for the quarter were in crude oil supplies from Yemen, Brazil and Argentina.
- The February decline was concentrated in Russian production, where non-payment problems and high refinery stocks may have caused additional shut-ins. The problems are likely to have continued in March and were undoubtedly compounded by the impact of the tanker accident in the Bosphorus on exports through the Black Sea.
- Both the Latin American increases and the Russian declines were larger than expected, with the net result being a downward revision for estimated non-OPEC supply in February of 0.40 mb/d.

Non-OPEC Oil Supply

(million barrels per day)

	1990	1991	1992	1Q93	2Q93	3Q93	4Q93	1993	1994 ^e
<i>Non-OPEC Crude Oil</i>									
United States	7.36	7.42	7.17	6.98	6.83	6.70	6.85	6.84	6.65
Canada	1.34	1.32	1.36	1.39	1.41	1.47	1.43	1.42	1.40
<i>North Sea</i>									
UK *	3.59	3.78	4.08	4.15	4.09	4.38	4.89	4.38	4.98
Norway	1.79	1.72	1.76	1.80	1.70	1.93	2.23	1.92	2.34
Other North Sea **	1.62	1.86	2.12	2.16	2.20	2.25	2.44	2.26	2.38
	0.18	0.19	0.20	0.20	0.19	0.20	0.23	0.20	0.26
Other OECD	1.02	1.05	1.03	0.97	0.99	0.98	0.92	0.97	1.01
Total OECD	13.31	13.56	13.64	13.49	13.32	13.53	14.09	13.61	14.04
<i>Latin America</i>									
Latin America	4.74	4.84	4.93	4.91	4.99	4.98	5.13	5.01	5.26
<i>Asia (incl. China)</i>									
Asia (incl. China)	4.38	4.44	4.54	4.65	4.66	4.61	4.73	4.66	4.72
<i>Africa</i>									
Africa	1.80	1.82	1.87	1.87	1.86	1.83	1.87	1.86	1.86
<i>Other Middle East</i>									
Other Middle East	1.31	1.41	1.48	1.55	1.55	1.61	1.73	1.61	1.76
<i>Central and East Europe</i>									
Central and East Europe	0.30	0.26	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Total Non-OECD (ex. FSU)	12.51	12.77	13.06	13.22	13.32	13.29	13.71	13.38	13.86
<i>Russia</i>									
Russia	10.12	9.02	7.70	6.97	6.85	6.49	6.32	6.66	5.76
<i>Other Republics</i>									
Other Republics	0.93	0.92	0.88	0.81	0.81	0.80	0.80	0.80	0.76
Total FSU	11.05	9.94	8.58	7.78	7.66	7.29	7.12	7.46	6.52
<i>NGLs & Other</i>									
United States	1.64	1.75	1.83	2.00	1.96	1.95	1.94	1.96	1.96
Canada	0.62	0.66	0.70	0.70	0.72	0.78	0.79	0.75	0.77
North Sea	0.22	0.24	0.26	0.30	0.26	0.28	0.36	0.30	0.41
Russia	0.24	0.24	0.22	0.21	0.20	0.20	0.19	0.20	0.19
Other Non-OPEC	1.30	1.35	1.33	1.38	1.40	1.39	1.41	1.39	1.39
Total NGLs & Other	4.02	4.24	4.34	4.59	4.53	4.59	4.69	4.60	4.71
<i>Processing Gains</i>									
Processing Gains	1.35	1.35	1.45	1.45	1.45	1.45	1.45	1.45	1.50
Total Non-OPEC Supply	42.24	41.85	41.07	40.52	40.28	40.14	41.04	40.50	40.63

^e estimated

* excluding on-shore production

** Denmark, off-shore Netherlands and off-shore Germany

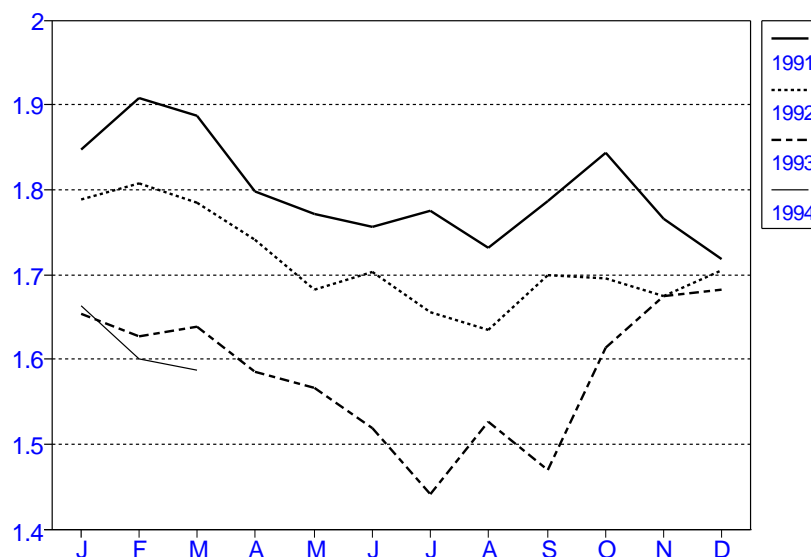
OECD

United States

US crude oil production is estimated to have averaged 6.69 mb/d in March, down 0.05 mb/d from February and 0.29 mb/d below March 1993 levels. The year-on-year declines appear to be predominantly in the Lower 48 states, particularly in the midwest and southwest. Alaskan production is down only marginally from March 1993, but is noticeably below the production levels achieved after the GHX-1 gas handling project was completed late last year at Prudhoe Bay. There was also a small decline projected in Californian production due to the continuing pipeline and tanker loading problems with some offshore production.

Estimated Alaskan production declined by another 15 kb/d in March, from depressed February levels, as storms again inhibited loadings at Valdez during the first and third weeks of the month. Due to high storage levels at the port, throughput of the Trans Alaskan Pipeline System had to be reduced resulting in March wellhead production from the Prudhoe Bay and Endicott fields being about 25 kb/d and 15 kb/d, respectively, below expectations. Production at the other four big North Slope fields was not affected.

Alaskan Crude oil Production 1991-1994
(million barrels per day)



The lower production levels in the midwest and southwest are likely to be the result of a combination of natural declines and, to a lesser extent, the impact of the level of oil prices on the amount of workover activity in low productivity fields. About 60 per cent of US Lower 48 production comes from the Gulf Coast states, with mature basins in East and West Texas, onshore Louisiana and New Mexico's portion of the Permian Basin predominant. A small number of large fields account for a majority of the region's production and these fields have been in decline for a number of years.

Canada

Canadian production of crude oil in January is preliminarily estimated by Statistics Canada to have dropped 0.26 mb/d to 1.40 mb/d level from 1.43 mb/d recorded in December 1993 and 1.37 mb/d in January 1993. Synthetic crude production from the two Alberta tar sands facilities also declined versus December, but by a more modest 30 kb/d, as output at the Syncrude plant dropped by more than a small gain registered by Suncor. Both plants were up, by about 20 kb/d each, from January of 1993 levels. NGLs production in January is thought to have increased by about 25 kb/d versus December as a result of higher Canadian gas production.

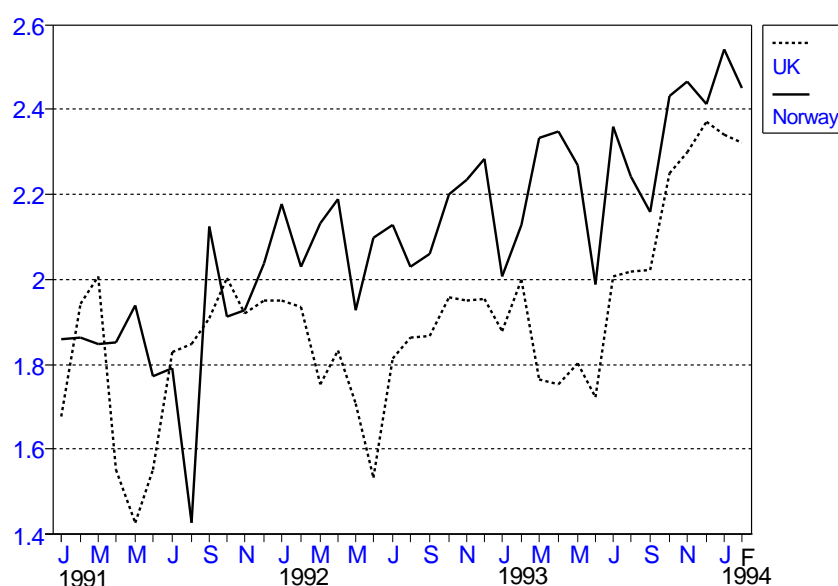
North Sea

February crude oil production in the **UK** sector of the North Sea appears to have declined by about 15 kb/d from January. But, as a result of new fields that came on-stream late in 1993, production was nearly 700 kb/d above February 1993 levels. Maintenance activities resulted in a 30 kb/d drop from January and unscheduled outages subtracted another roughly 40 kb/d. These reductions more than offset a 15 kb/d

contribution from the start-up of the Nelson field and a 30 kb/d of increase from the Alba field, which was experiencing start-up problems in January, and from three other new fields.

The return of relatively full production from several fields in March and a full month of Nelson production, partly offset by higher losses due to maintenance, is estimated to have added 150 kb/d to UK production versus February levels. Six fields were going into planned maintenance periods in March, while the Donan field came back into production after having been down for all of February. The net impact of the maintenance was about a 40 kb/d reduction. This was more than compensated for by almost 100 kb/d in production increase from five fields that had experienced production problems in February. The second quarter has substantial maintenance activities scheduled, roughly a dozen fields in each month, equivalent to a total reduction in production of approximately 170 kb/d. Roughly a third of the maintenance declines is expected to be offset by 50-70 kb/d per month in increased production from new fields moving up toward full capacity.

UK/Norwegian Crude Oil Production 1991-1994
(million barrels per day)



Norwegian output in February recovered from weather-related loading problems in December and January that affected several offshore platforms. Total production, including plant condensates, increased by about 55 kb/d in February versus January and was up 250 kb/d from February of 1993. The Snorre field reached a new high of over 200 kb/d, again including condensates which are thought to have increased substantially with the higher gas production this year. The only significant month on month decline was at the far north Draugen platform where output was reduced from around 30 kb/d to under 10 kb/d to allow drilling of additional wells that will raise production later in the year to a planned peak of 90-95 kb/d.

Denmark's crude oil output in February dropped back slightly to 189 kb/d from 197 kb/d in January according to the Danish Energy Agency. Production from the Dan and Tyra fields in February is thought to have recovered in March from the temporarily lower February production levels. Offshore crude oil output from the **Netherlands** was unchanged at 49 kb/d in February but production of plant condensates from the P18 field added about 5 kb/d to total offshore oil output.

Australasia

Australia produced an estimated 500 kb/d of crude and condensate in January according to the Australian Petroleum Exploration Association, up about 30 kb/d from December and 23 kb/d above January 1993 levels. The gain versus December was primarily the result of initial crude oil output from the new Griffen field in the offshore Carnarvon Basin, and the return from extended maintenance of the Jabiru field in the Bonaparte Basin which more than offset small declines in other producing areas. Production from the Bass Straits' Gippsland Basin was about equal to December levels, but was 20 kb/d above depressed January 1993 production levels. There were year-on-year declines in several other fields, the largest being the Challis/Cassini field and the Thevenard Island area of northwest Australia. The declines in the Saladin and Yammaderry fields on Thevenard Island will soon be offset by production from two new fields, Roller and

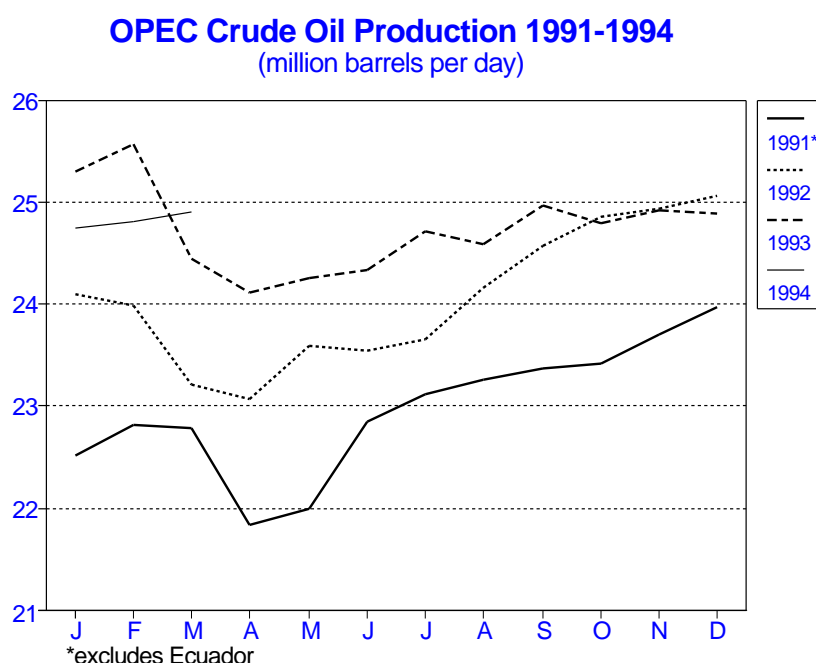
Skate, expected to come into production in early May. The light sweet crude oil from the new fields is expected to roughly double production from Thevenard Island to around 60 kb/d in the second half of the year.

Australian crude oil production in February and March is estimated to have increased by about 10 kb/d in each month to 510 kb/d and 520 kb/d, respectively. Full month production from Jabiru and Griffen in February and, in March, the absence of start-up problems that limited initial Griffen production are thought to have accounted for the bulk of the production increases.

Preliminary data indicate a 15 per cent decline in **New Zealand** crude production to around 40 kb/d in January, following substantial increases during 1993 from 30 kb/d in January to nearly 50 kb/d in December. Mobil's production of synthetic gasoline from natural gas recovered from depressed November levels to above 10 kb/d in December and January and is expected to continue at the higher levels.

OPEC

OPEC production appears to have been slightly higher in March, 24.9 mb/d compared with 24.8 mb/d in February. Higher production from the Neutral Zone possibly in advance of maintenance and small recoveries in production levels in Libya and Iran are thought to have more than offset declines in Indonesia and Nigeria. Production in the remainder of the OPEC countries is estimated to have been unchanged.



Based on tanker tracking data and a variety of trade and industry sources, crude oil production from **Saudi Arabia** and **Kuwait** appear to have remained at or near 8 mb/d and 2 mb/d respectively throughout the first quarter. There is some uncertainty about the level of **UAE** production in February centring on the level of output from the Upper Zakum field. It is unclear whether capacity expansion work on the field resulted in additional production and exports and, if so, whether or not the increases were offset by declines in other fields. Pending further clarification, estimated UAE production levels are being maintained at around 2.15 mb/d for each of the first three months of 1994. Elsewhere in the Gulf, **Neutral Zone** output is reported to have increased to nearly 400 kb/d in March from 365 kb/d in February, with higher liftings from the off-shore Khafji and Hout fields possibly reflecting stockbuilding in advance of maintenance work planned for the Hout field throughout April.

Iranian production is estimated to have increased by about 0.05 mb/d in March to 3.64 mb/d, after an estimated decline of a similar amount in February. Estimates of Iranian output vary as the result of differences of opinion on the possible impact of pressure maintenance problems in several major older oil fields. The higher apparent level of exports in March could have been the result of lower domestic demand or a reduction in stocks rather than higher primary production. However, without direct evidence of production difficulties in Iran, an implied output level of 3.64 mb/d has been assumed.

Some of the debate over the level of **Iraqi** output now appears to be related to differing treatment of oil produced, but then reinjected into reservoirs, partly to recover needed associated gas and partly to improve future production performance. Official Iraqi statements made recently claiming production levels of over 700 kb/d may include as much as 150 kb/d of re-injected crude. For the purposes of the Oil Market Report, production levels are reported net of reinjected oil. Domestic refining capacity is estimated to be around 450 kb/d. Direct crude burning for electricity generation and a small amount of exports to neighbouring countries are thought to account for an additional 60-70 kb/d.

Production in **Nigeria** appears to have been constrained in March by the civil unrest that shutdown a significant amount of refining capacity. Although most of the crude normally run in the domestic refineries found its way to the export market, it is likely that high stock levels and difficult internal supply logistics constrained upstream output. The estimated decline from 2.060 mb/d to 2.045 mb/d in March follows an increase of 60 kb/d in February. **Indonesian** production is thought to have declined by a similar amount, in part reflecting reduced crude oil imports by China. The civil unrest in **Algeria** does not appear to have had any impact on oil output as yet.

Former Soviet Union (FSU)

Production

Preliminary data from Goskomstat for February show a relatively sharp decline in Russian crude oil output from a revised 6.29 mb/d (27.2 mt) in January to 5.79 mb/d (22.8 mt). Full storage at Russian refineries, which have reduced throughputs because of non-payment problems, and reduced crude exports to other CIS countries and through the Black Sea combined to significantly increase the number of wells which have been shut in over the last three years as a result of shortage of equipment and declining productivity.

The February production was 1.2 mb/d below the February 1993 level, breaking the six month trend of progressively smaller year-on-year declines. The payment and export problems appear to have continued into March. Hence, estimated March production has been tentatively lowered to 5.98 mb/d.

Exports

The recovery in FSU oil exports observed in February from a low of 1.5 mb/d in January stalled in March due to weather-related disruption of vessel movements from Novorossiysk and the temporary closure of the Bosphorus following a fatal collision on 11 March. Tanker sailings from the Black Sea ports of Novorossiysk, Tuapse and Odessa are reported to have fallen to 0.65 mb/d in March from 0.7 mb/d in February, implying a marginal decline in total FSU oil exports from an estimated 1.8 mb/d in February. Lower than expected seaborne exports in March have led to a downward revision in FSU *net* exports in 1Q94 from 1.8 mb/d to 1.7 mb/d. Market reports indicate that a marked recovery in liftings from Novorossiysk in the first ten days of April.

The progressive fall in industrial production, exacerbated by the end of the winter heating season and high refinery product stocks, has created a glut of residual fuel oil on the domestic Russian market. At the end of March, the Ministry of Fuels and Energy announced the abolition of quotas for the export of fuel oil between May and September to help Russian refiners run down their stocks and to relax one of the major constraints on refinery throughput and crude production.

Other Non-OPEC

Latin America

Latin American crude oil production estimates for 1994 are being revised upward to reflect better than expected performance in Brazil and Argentina and new fields in Ecuador. Conversely, recent Colombian crude oil production has been lower than expected due to several bombings of pipelines by guerrilla groups. The net result is 50 kb/d increase in expected 1994 Latin American crude oil production.

Mexican output for February was estimated to have been 2.73 mb/d, about equal to January levels. It is anticipated that March production was in the same range. **Brazil** produced a monthly average of over 700 kb/d of crude oil for the first time in February, increasing by about 15 kb/d from January levels. The state oil company Petrobras is adding capacity in the deep-water Campos Basin that could bring total Brazilian capacity to nearly 750 kb/d by the end of the year. However, difficult weather conditions and potential technical difficulties are expected to limit average output for the year to between 710-720 kb/d, the top of the range being Petrobras' official target.

The **Argentine** Petroleum Institute released data in early March that showed a surprisingly large increase in December crude oil production to nearly 630 kb/d, almost ten per cent above December 1992. Production exceeded 600 kb/d for each of the months of 4Q93, versus estimates of around 590 kb/d.

Production is expected to continue to expand this year as water injection programmes in large fields in the Neuquen Basin of northwest Argentina are significantly improving well productivity. Consequently forecasted Argentine production for 1994 is being raised by 20-30 kb/d.

Bombings of pipelines in **Colombia** have hampered production in the Cano Limon and Orito areas. The Cano Limon-Covenas pipeline has been dynamited ten times in the first ten weeks of the year, and Shell Hocol's Pipeline Colombia has been bombed twice. The combined capacity of the two pipelines is just under 400 kb/d and repairs generally can be accomplished in one to four days depending on the remoteness of the sites. The net result is an estimated 30-40 kb/d reduction to Colombian output for the first quarter and a slightly more pessimistic view of output for the rest of the year.

China

It is unclear whether Chinese oil production due to high levels of crude oil and product stock levels at refineries following increased foreign crude oil buying at the end of last year. The problem is reported to have particularly affected fields in remote areas of northwest China, where rail and pipeline deliveries to refining centres in the southern provinces may have been reduced by as much as two-thirds. It is unlikely that emergency storage facilities can be completed fast enough to avoid some reduction in output from the Xinjiang Province fields. There have also been reports of production curtailments in China's two largest fields Daqing and Shengli, once again denied by the Chinese National Petroleum Company. Data for January and February do not indicate any decline in the big eastern fields and it is expected that production will be maintained as the government's programme to limit foreign crude imports begins to take hold.

Other Non-OPEC Asia

With current production of over 2.9 mb/d, China is by far the largest non-OPEC oil producer in Asia as can be seen from the table below. However, production in the 0.5-0.7 mb/d range from Malaysia, India and several other medium-sized producers with production of between 0.1-0.2 mb/d, combine to provide an additional 1.7 mb/d to the regional market. Most of the crude oil produced in the South and East Asia is used in the region with limited exports of Malaysian oil to North America. Consequently, oil production in Asia is particularly sensitive to regional demand conditions.

Like production from Indonesia discussed above, **Malaysia's** production is likely to have been constrained by reduced Chinese imports and probably lower flows to Japan. Crude oil production is expected to average around 650 kb/d for 1994 versus a 1993 average of about 645 kb/d. Capacity is probably closer to 700 kb/d and Malaysia produced 670 kb/d at the beginning of last year before dropping to 600 kb/d in August due to weak regional demand for light sweet crudes. The incremental light oil production from Australia and displacement of light crudes due to increasing North Sea production and the near-term surge in Nigerian exports are expected to continue to restrain Malaysia production during 1994.

The third largest non-OPEC oil producer in South and East Asia is **India**, with crude oil production between 500-550 kb/d. Production problems in the offshore Bombay High and inability to meet goals for expanding onshore production have led to increasing oil imports to meet growing demand. A pipeline rupture in May of last year and work on several offshore platforms constrained output from the Bombay High fields. India's Oil and Natural Gas Commission has a very aggressive target of raising production by 5 mt (100 kb/d) per year for the next several years, although it seems doubtful that the target will be met, given the declines in Indian production in recent years.

Production in the three medium-sized Asian producers, Brunei, Papua-New Guinea (PNG) and Vietnam is expected to rise over the next few years, primarily in **Vietnam**. Maintenance of **PNG** production requires additional fields to be found as the current fields are being produced very rapidly. Conversely, **Brunei** has sufficient oil reserves to produce at current levels for a prolonged period.

The remainder of the non-OPEC oil production is provided by a number of small producers, with only the Philippines thought to have the potential to significantly step up production. Thailand, Pakistan and Bangladesh all appear to have greater production potential for natural gas than oil.

Non-OPEC Asia Oil Supply 1991-1994

(thousand barrels per day)

	1991	1992	1993	1Q93	2Q93	3Q93	4Q93 [*]	1994 [*]
<i>Crude Oil Supply</i>								
China	2795	2838	2915	2881	2928	2890	2962	2943
Malaysia	649	659	644	669	655	626	625	650
India	637	567	536	538	524	535	545	527
Brunei	147	165	173	170	170	175	175	175
Papua New Guinea	0	53	126	130	118	121	136	134
Vietnam	77	114	126	120	120	125	140	145
Thailand	46	52	54	53	54	54	54	56
Pakistan	65	62	60	61	61	60	60	62
Other **	23	27	28	28	28	28	28	30
Total Crude Oil	4439	4537	4662	4650	4658	4614	4725	4722
(Excluding China)	1644	1699	1747	1769	1730	1724	1763	1779
<i>NGL Supply</i>								
India	20	20	20	20	20	20	20	20
Malaysia	19	20	20	20	20	20	20	20
Thailand	13	14	14	14	14	14	14	15
Other	17	18	18	18	18	18	18	18
Total NGLs	69	72	72	72	72	72	72	73
Malaysian Synfuels	0	0	3	0	1	2	8	10
Total Asian Supply	4508	4609	4734	4722	4730	4686	4797	4795
(Excluding China)	1713	1771	1819	1841	1802	1796	1835	1852

* estimated

** Philippines, Myanmar, Bangladesh, and Taiwan.

Africa

Crude production from **Angola** for 1994 now seems likely to be lower than previously projected. Government sources indicate a target production level of around 525 kb/d, about 25 kb/d below earlier forecasts. Oil supply was expected to increase by ten per cent in 1994 from just over 500 kb/d estimated for 1993. Oil dominates Angola export earnings, accounting for 98.5 per cent of export earnings in the recently released third quarter 1993 trade data.

Non-OPEC Middle East

Oman's production is expected to be increased in April following the unchanged production level agreed to at OPEC's March 25 meeting. The Omani Oil Minister Shanfari had stated that continuation of the first quarter production cutback to an estimated 775 kb/d level was dependent on an OPEC production cut. It is now expected that Omani production will be increased during the second and third quarters, reaching 815 kb/d in June and 825 kb/d by the fourth quarter. **Yemeni** production is estimated to have continued at January's 335 kb/d in February, but is expected to increase further in the second half of the year as additional production from the Masila field comes onstream.

Non-Conventional Oil Supply

Nearly 900 kb/d of non-OPEC supply in 4Q93 was the result of production of a variety of non-conventional fuels. About two-thirds of that amount was produced in the OECD and one-third in three non-OECD countries. The hydrocarbon portion of Venezuela's Orimulsion added another 23 kb/d. The amount of the "other" oil supply shown in the Oil Market Report is also growing more rapidly than crude oil or NGL supply, partially as the result of better data collection. Reported other supply increased by 150 kb/d in 1993 and is expected to grow by another 30 kb/d using current definitions. It should be noted that more than half the growth in 1993 was the result of an expanded definition of the US "other hydrocarbons & alcohol" category to include fuel ethanol and oxygenates. In future, broadened coverage is likely to cause similar rises in some other OECD countries and in non-OECD countries such as Saudi Arabia with growing MTBE production.

Non-Conventional Oil Supply 1991-1994

(thousand barrels per day)

	1991	1992	1993	1Q93	2Q93	3Q93	4Q93	1994
US Fuel Ethanol & Other Hydrocarbons	872	128	233	233	215	230	253	241
Canadian Syncrude	227	236	242	202	240	262	261	254
European Additives *	21	21	22	22	22	21	25	24
New Zealand Syngasoline	11	15	13	13	16	14	10	15
Japanese Additives *	2	2	3	3	3	2	3	2
OECD Other Supply	354	401	514	474	495	529	558	541
Brazilian Alcohol Fuels	205	200	207	203	211	207	205	203
South African Synfuels	101	103	128	128	128	128	128	125
Malaysian Middle Distillate Synthesis	0	0	3	0	1	2	8	10
Non-OECD Other Supply	306	303	337	331	340	337	341	338
Total Non-OPEC Other Supply	660	704	852	805	836	866	899	879
Venezuelan Orimulsion **	13	22	23	23	23	23	23	25
Total Other Supply	673	726	875	828	859	889	922	904

* Includes only part of MTBE, ETBE, and other hydrocarbons reported as non-conventional oil supply.

** Includes only volumes of bitumen input not water or emulsifier volumes.

The scope of the "other supply" category used by the IEA is broader than other sources of world oil supply demand data. In a number of cases, certain of the other supplies such as the Brazilian alcohol fuels, are treated as decreases in oil demand rather than increments to supply. Care has been taken to be sure that there are appropriate demand offsets for any of these other supply sources, but the supply and demand data are both quite volatile due partly to the changing composition of gasoline. The main purpose of the table above is to help resolve differences in data and forecasts of oil supply rather than to be a definitive representation of the appropriate classifications of these oil supplies.

OECD STOCKS

In the previous Oil Market Report issued on 9 March, the possibility of an upward revision to provisional North American stock data for the end of January was highlighted. Final data which has now been received show an increase of 4.3 mt compared with preliminary estimates. Upward revisions to preliminary data have also been received for Europe and the Pacific region leading to an upward revision of 6.5 mt or 2 per cent for total OECD industry stocks at the end of January.

Preliminary estimates for February 1994 indicate that total industry stocks fell by 1.6 mb/d with more than half the reduction occurring in North America (see table below). The main decrease was in distillates, down by 1.1 mb/d, with appreciable seasonal stock draws occurring in all three regions, consistent with the strong level of demand. Total gasoline stocks decreased contra-seasonally, primarily due to a 0.3 mb/d decline in North American stocks. Crude oil stock levels were essentially unchanged.

Preliminary Industry Stock Changes in February
(mb/d)

	North America	Europe	Pacific	Total
Crude Oil	0.0	0.1	0.0	0.0
Gasoline	-0.3	0.1	0.0	-0.3
Distillates	-0.5	-0.4	-0.3	-1.1
Fuel Oil	-0.1	-0.1	0.0	-0.2
Other Oil*	0.1	-0.1	0.0	0.0
Total Oil	-0.8	-0.4	-0.4	-1.6

* includes other products, feedstocks and NGLs
Totals may not add due to rounding

Total end of February industry stocks are estimated to have been 318.0 mt, 2.1 mt below the level of a year earlier (which, in turn, was close to the level at the end of February in 1991 and 1992 as shown in Table 4). Compared with the end of February 1993, crude oil stocks were higher in North America and Europe. Pacific industry stocks were somewhat lower but this was more than offset by the increase in government-controlled stocks. Total gasoline and distillate stocks were slightly below last year's levels while fuel oil stocks continued to be appreciably lower.

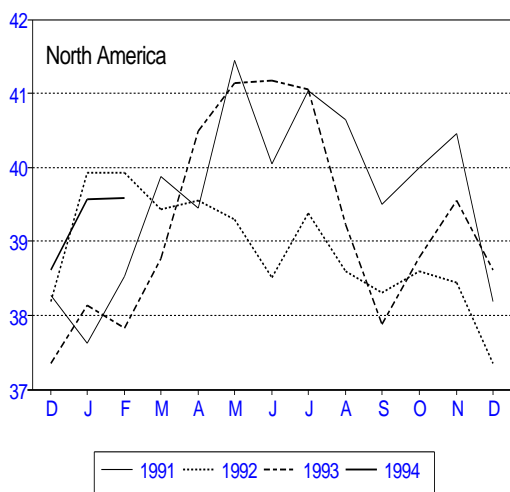
In **North America**, crude oil stocks remained at levels similar to those at the end of January, in spite of somewhat higher imports and lower refinery throughputs. Distillate stocks continued to decline in February, consistent with seasonally high demand, decreasing by 0.5 mb/d. At the end of February, stocks were 1.0 mt or 5 per cent lower than a year earlier. Gasoline stocks were contra-seasonally drawn by 0.3 mb/d as demand increased and refinery production was reduced to increase distillate yield. Their end of month level was 1.3 mt below that of last year. Heavy fuel oil stocks continued the downward trend which started in December and at the end of the month were 9 per cent below year earlier levels. Provisional information for March stock levels indicate a continued draw of gasoline and middle distillate stocks, of 0.4 mb/d and 0.1 mb/d respectively during the first three weeks and an increase of 0.1 mb/d in crude.

In **Europe**, total industry stocks were drawn 0.4 mb/d. Crude oil stocks rose for the fifth consecutive month, consistent with lower crude runs, and reached 41.8 mt at the end of the month. This was 2.6 mt or 6 per cent higher than the same month a year before and the highest end of February stock level since 1984. Following a contra-seasonal stockbuild of 0.6 mb/d in January, distillate stocks decreased by 0.4 mb/d reflecting stronger demand and lower production. At the end of February, stock levels were 0.9 mt higher than a year earlier. Gasoline stock levels continued to increase, albeit at a slower rate than in January, and ended the month 0.7 mt higher than a year earlier.

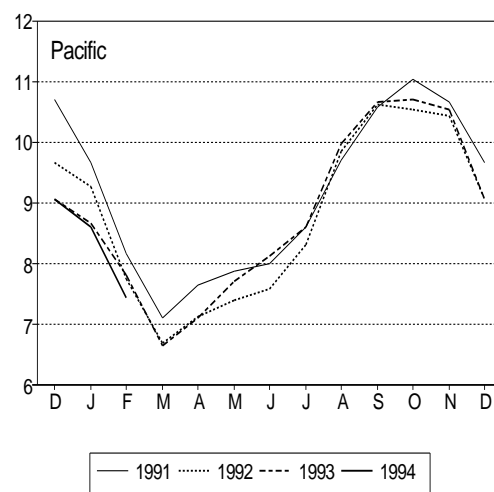
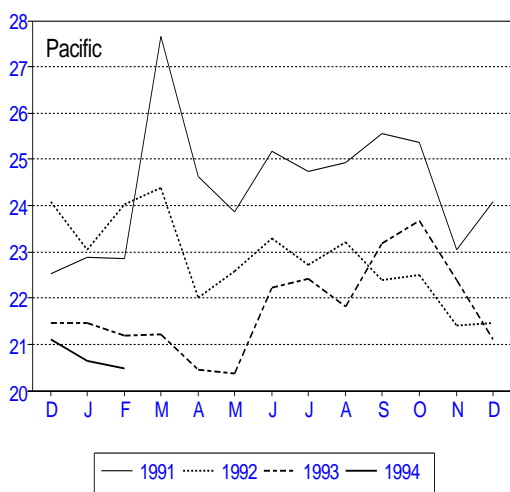
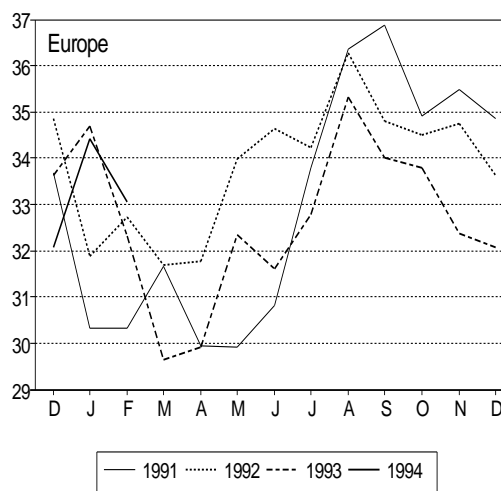
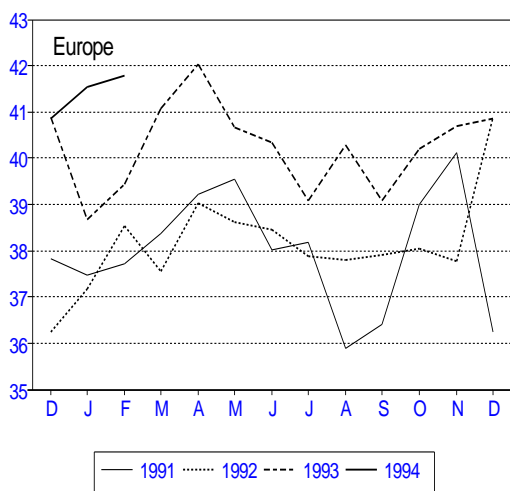
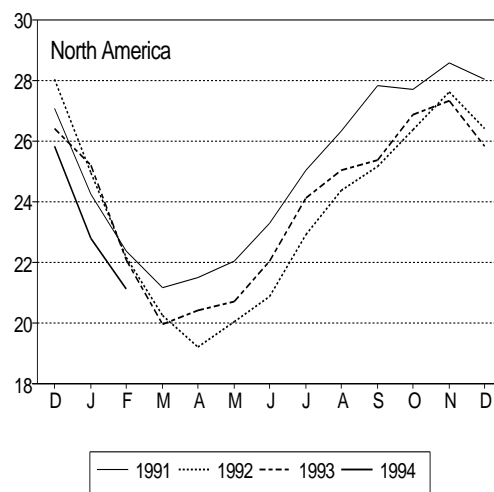
In the **Pacific**, industry stocks fell by 0.3 mb/d. The build in Japanese government-controlled stocks, which has been continuing at variable rates throughout the year, more than offset a small decline in industry crude stocks. It should be noted that while the government plans to continue to increase its crude oil stocks until 31 March 1995, the statutory industry total oil stock level will remain unchanged at 70 days' supply (compared with an estimated 79 days at the end of February). Cold weather in Japan and therefore increased demand for heating fuels caused kerosene stocks to drop by 32 per cent or 0.3 mb/d, leaving end of February levels below those of a year earlier. Gasoline and fuel stocks both showed small declines in February, mainly resulting from lower production and, in the case of gasoline, relatively strong demand during the month.

OECD Industry End Month Stocks (million metric tons)

Crude Oil

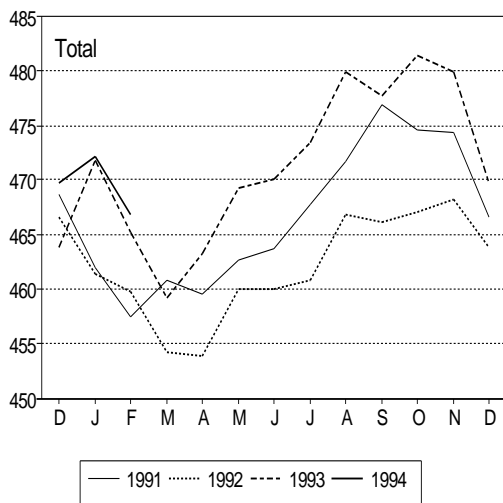


Middle Distillate

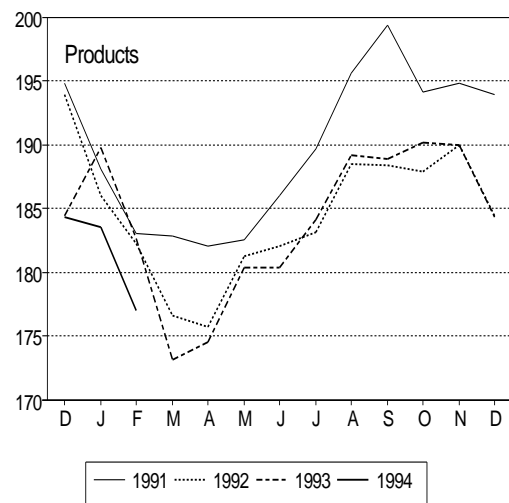
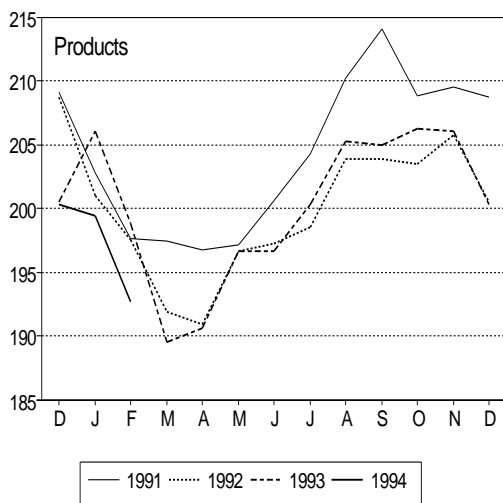
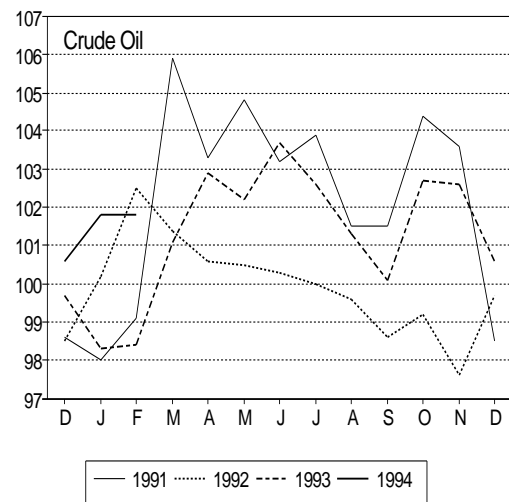
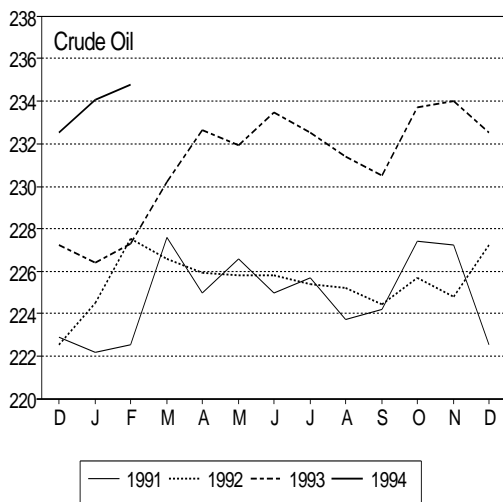
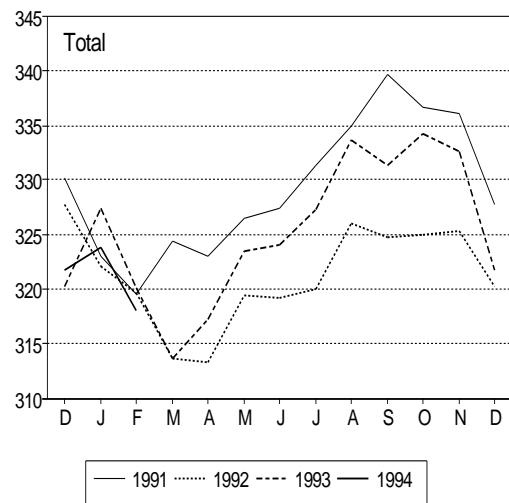


OECD End Month Stocks (million metric tons)

Total Stocks



Industry Stocks



PRICES

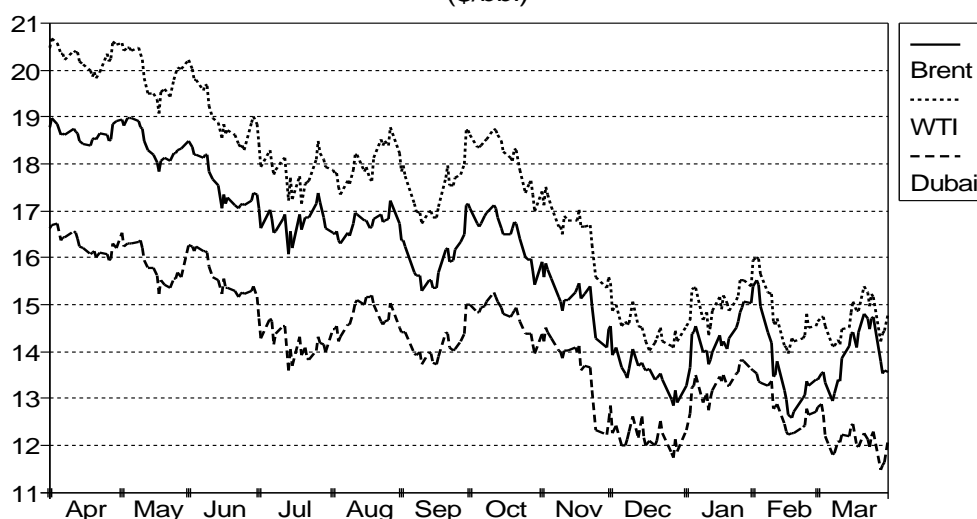
CIF Crude Import Costs

Table 7 shows that the weighted average CIF cost for crude imported into IEA countries in January was \$13.53/bbl, \$0.15/bbl lower than the December figure. The weighted average CIF prices are estimated to have been \$13.40/bbl in February and \$13.10/bbl in March.

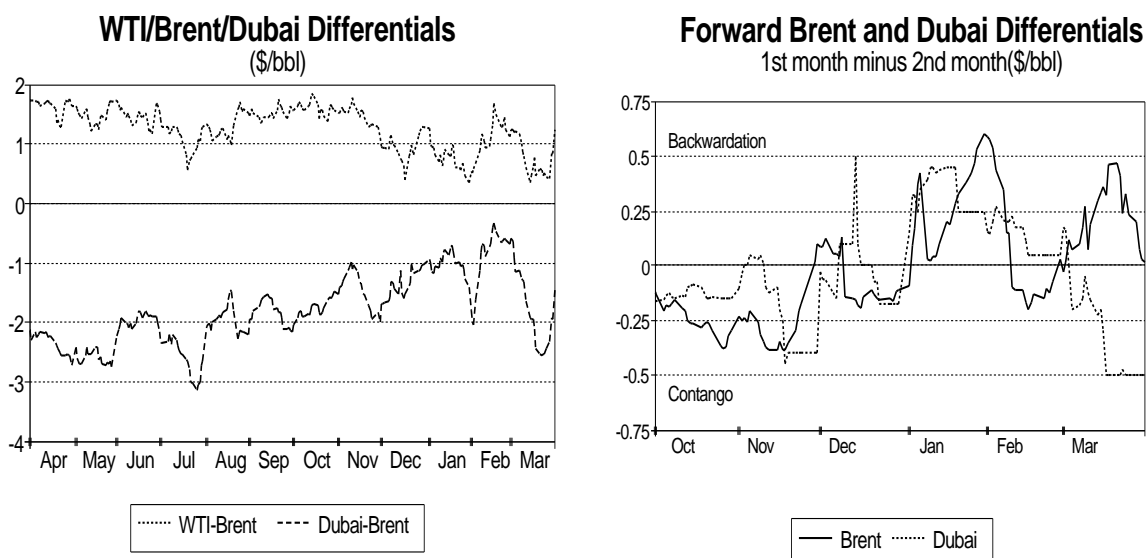
Spot Crude Oil Prices

Prices of Brent and WTI, which decreased at the beginning of March, increased sharply in the middle of the month with the Brent price increasing by about \$1.80/bbl and WTI by about \$1.30/bbl. The increases reflected strong demand for prompt crude supply due to high European refining margins and low Russian crude exports resulting from bad weather in the Black Sea loading ports and a temporary closure of the Bosphorus Straits following a tanker collision. Some refiners in Europe are believed to have increased throughputs in response to the high February refining margins at a time when crude arrivals in Europe were generally low. Prices, however, declined by about \$1/bbl near the end of the month, following the OPEC meeting on 25-26 March. In March, dated Brent averaged \$13.90/bbl, \$0.17/bbl higher than in February. In contrast, the average price of Dubai continued to decline, falling by \$0.67/bbl, in response to low Indian and Far East demand. Prices increased again at the beginning of April reflecting a combination of fundamental and technical factors.

Spot Crude Oil Prices
(\$/bbl)



The WTI/dated Brent differential, which had widened in the second half of February to over \$1/bbl, narrowed in the second week of March and remained at about \$0.50/bbl for most of the month. The narrowing of the differential resulted from the sharper increase in the dated Brent price due to the strong demand for prompt crude in Europe. The dated Brent/Dubai differential, which had continued to narrow in February, widened by about \$2/bbl in the first half of March, reaching the highest level since last July. The sharp increase in the differential in part reflected a decision by the Indian Oil Corporation (IOC) not to take any Dubai cargoes in its crude tender for April. (Less than 20 cargoes of Dubai are exported in a month, with IOC taking five cargoes in its tenders for February and March.) Low Far East crude demand also may have contributed to the wider Brent/Dubai differential, partly due to spring refinery maintenance in Japan and South Korea and partly as a result of the shutdown of the 240 kb/d Japanese Tonen refinery following a fluid catalytic cracker accident at the end of February. Low crude imports by China, consistent with import restrictions and high stock levels, are believed to have contributed to the soft regional market. At the end of the month, IOC was reported to be taking eight Dubai cargoes in its crude tender for May, and the Brent/Dubai differential narrowed to about \$1.50/bbl.



In contrast to the wider Brent/Dubai differential, the price differentials between dated Brent and Russian Urals and Iranian crudes, narrowed further in March. The Brent/Iranian Heavy differential, which was close to \$3/bbl last June, dropped to about \$0.90/bbl by the end of March (see graph). The narrower differentials reflected low Russian crude exports due to bad weather in the Black Sea loading ports, a temporary closure of the Bosphorus Straits following a tanker collision and a temporary shutdown of a part of the Sumed pipeline due to technical problems. The Brent/Urals differential widened somewhat towards the end of the month as Russian exports began to recover.

In Asia, prices of Malaysian Tapis and Indonesian Minas relative to the Brent price, which both had increased significantly in February, decreased in the second week of March as both prices decreased while the Brent price increased. The relative declines reflected a low regional demand in the Far East due to spring maintenance and low crude imports by China.

The Brent price for prompt delivery increased appreciably relative to the price for forward delivery in the first half of March reflecting a strong demand for prompt barrels as the 1st month/2nd month differential graph above shows. The tightness in the prompt market was reflected more markedly in the differential between prices for dated Brent and second month forward delivery which increased from about minus \$0.10/bbl at the beginning to close to \$0.80/bbl in the middle of the month before decreasing slightly. Conversely, in the Dubai market the price for prompt delivery became substantially lower than that for forward delivery (contango), partly as a reflection of the IOC decision to take no April Dubai cargoes and the contango reached the highest level since last July.

Spot Crude Oil Prices and Differentials Monthly and Weekly Averages (\$/bbl)

	Jan	Feb	Mar	Change	Week ending:					
					25 Feb	04 Mar	11 Mar	18 Mar	25 Mar	01 Apr
Brent Dated	14.27	13.73	13.90	0.17	13.18	13.44	13.33	14.28	14.68	13.62
Dubai	13.28	12.80	12.14	-0.67	12.56	12.64	12.00	12.21	12.16	11.70
WTI	15.04	14.79	14.68	-0.12	14.48	14.63	14.21	14.82	15.19	14.45
Brent over Dubai	1.00	0.92	1.76		0.62	0.80	1.33	2.07	2.52	1.92
WTI over Brent	0.77	1.07	0.78		1.31	1.19	0.88	0.54	0.51	0.83
Brent 1st month minus 2nd month	0.25	0.07	0.21		-0.11	0.04	0.16	0.36	0.34	0.08

Spot Product Prices

Monthly average prices of distillates and low sulphur heavy fuel oils decreased in all three markets in March with the US prices decreasing most sharply. Following the steep rises in January and February in response to the period of extremely cold weather, average prices of jet/kerosene, low sulphur heavy fuel oil and gasoil in New York Harbour decreased by \$5.00/bbl, \$4.06/bbl and \$2.71/bbl respectively.

The price of **gasoline** in the US increased in the second week of March, in part reflecting an unexpected shutdown of a 61 kb/d catalytic cracker in the US Gulf coast. The gasoline price in Europe also increased in the middle of the month consistent with seasonally strong demand for exports to the US. The price differential between the US and Europe remained relatively wide for most of the month, providing an arbitrage opportunity to move gasoline from Europe to the US (see graph) and a number of cargoes were reported to have been traded into the US. The gasoline price in Singapore declined during most of the month, in part due to the absence of spot purchases by China.

The **gasoil** price in Europe increased somewhat in the middle of the month, partly reflecting refinery maintenance in Europe. In the US, the gasoil price decreased sharply in the first half of March as the period of strong demand ended. The Singapore price decreased in the first half of the month, partly reflecting the absence of Chinese spot purchases, but recovered in the second half following a temporary, unscheduled shutdown of part of the 200 kb/d refinery in Thailand and some purchases for China. The premium of **jet/kerosene** over gasoil in Singapore increased at the beginning of the month by about \$0.50/bbl reflecting the shutdown of the 240 kb/d Japanese Tonen refinery.

The price of **low sulphur heavy fuel oil (LSFO)** in the US, which peaked at \$17.88/bbl in early February, continued to decline sharply in the first half of the month reflecting the end of the strong winter demand season. The price declined to \$11.88/bbl in the middle of the month, the lowest level in three months (see graph). Most other heavy fuel oil prices followed a similar pattern, declining in the first half of the month. The **high sulphur heavy fuel oil (HSFO)** price in Europe, on the other hand, increased in the second week of the month reflecting European refinery maintenance and a tight sour crude market. Unusually, the barge HSFO price briefly became higher than the barge LSFO price in the middle of the month while the LSFO/HSFO differential of cargo prices also narrowed substantially to \$7.50/ton, the narrowest level for more than two years. The higher European HSFO price resulted in the price differential between prices in Europe and the US Gulf coast widening in the second week (see graph). The wider differential provided an arbitrage opportunity and several cargoes of HSFO were reported to have been traded into Europe.

Spot Product Prices

(Monthly and Weekly Averages, \$/bbl)

	Gasoline*			Gasoil			Low Sulphur Residual Fuel Oil*		
	Rotterdam	NY Harbour	Singapore	Rotterdam	NY Harbour	Singapore	Rotterdam	NY Harbour	Singapore
Jan 94	15.96	17.74	18.80	19.23	20.94	21.17	11.86	15.28	10.68
Feb 94	16.54	18.38	20.01	18.97	23.00	20.59	13.32	17.57	11.55
Mar 94	16.77	18.48	19.11	18.76	20.30	19.59	12.66	13.51	10.77
Change over month	0.23	0.11	-0.90	-0.21	-2.71	-1.01	-0.66	-4.06	-0.78
Week ending:									
25 Feb	16.71	18.48	20.65	18.72	21.49	20.09	13.29	17.09	11.48
04 Mar	16.69	18.49	20.07	18.84	21.39	20.00	13.51	16.17	11.53
11 Mar	16.08	17.92	19.28	18.39	20.27	19.53	13.19	15.08	11.01
18 Mar	16.84	18.78	19.11	18.71	19.90	19.35	12.57	12.63	10.55
25 Mar	17.26	18.97	18.42	19.19	20.29	19.67	12.17	11.91	10.48
01 Apr	17.07	18.18	18.86	18.70	19.82	19.44	11.88	12.11	10.35

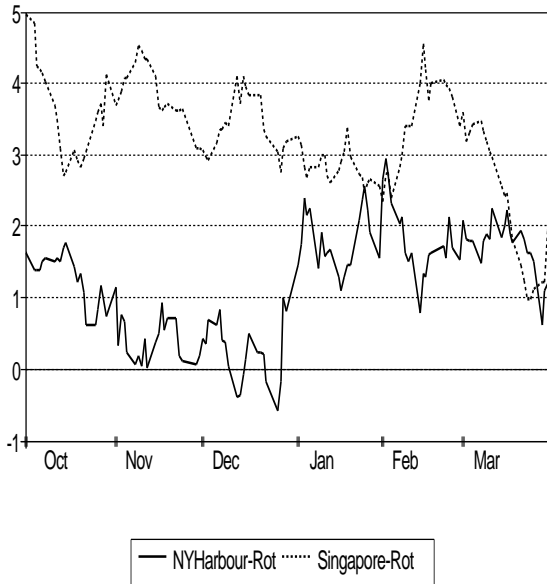
* Gasolines are unleaded regular in Rotterdam and New York Harbour, and leaded regular in Singapore. The specification of gasoline in New York Harbour changed from 9.0 RVP to 13.5 RVP as of 7 September 1993. Low Sulphur Residual Fuel Oils are 1.0 per cent LSFO in Rotterdam and New York Harbour, and low sulphur waxy residue in Singapore.

End-User Product Prices

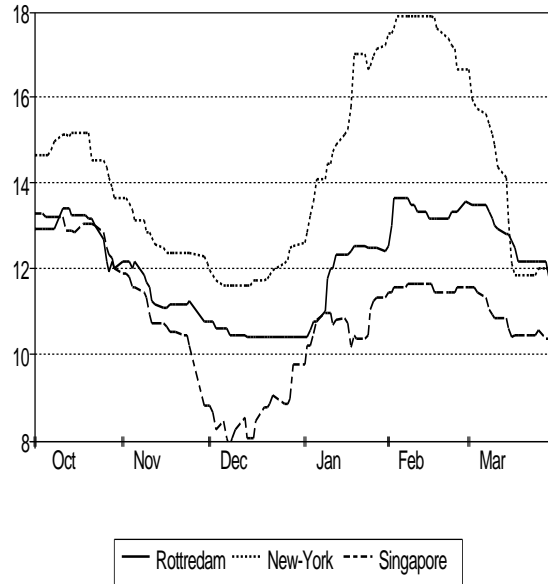
In March, end-user prices in national currencies for gasoline, automotive diesel and domestic heating oil fell slightly in the five largest oil-consuming countries in Europe, the only exception being heating oil in Germany (see Table 8). In Spain, there was a sharp increase in the fuel oil price. The latest data available for the US is for February and this showed a significant increase in heating oil price consistent with higher spot market prices.

Table 7 shows average IEA CIF crude import costs, spot crude and product prices and Table 8 shows end-user prices.

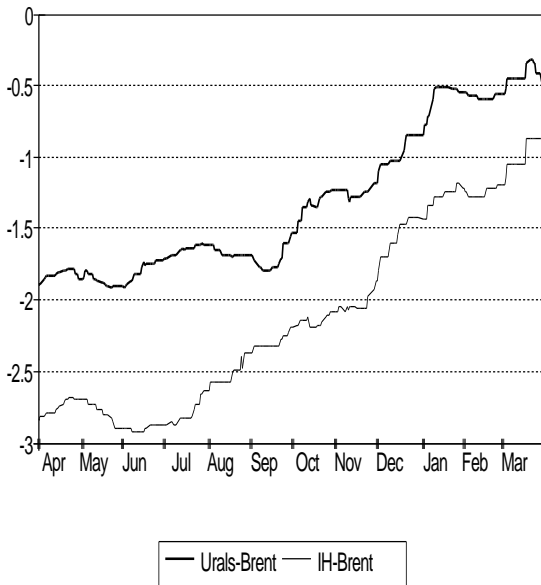
Gasoline Price Differentials
(\$/bbl)



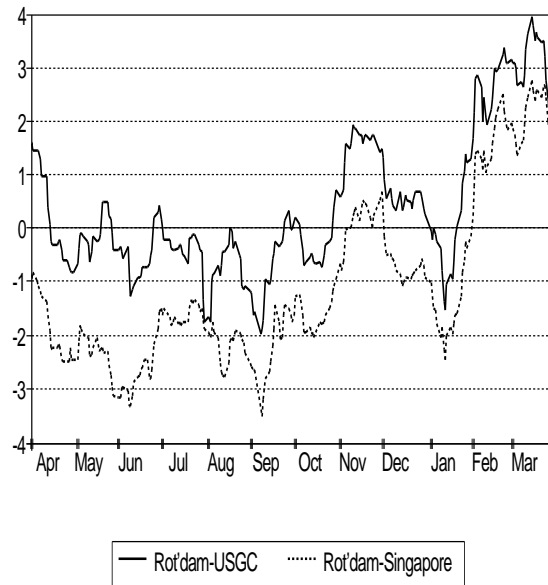
LSFO Prices
(\$/bbl)



Urals and Iranian Heavy versus Brent
(\$/bbl)



HSFO Price Differentials
(\$/bbl)



REFINERY ACTIVITY

Refining Margins

Monthly average refining margins in Europe and the US decreased in March as lower prices for middle distillates and low sulphur fuel oils and increases in Brent and ANS crude prices more than offset small increases in some gasoline prices. The margin for WTI crude in the US decreased less than the other margins in Europe and the US which are shown in the table below as the average WTI price decreased relative to Brent and ANS. The Dubai hydroskimming margin in Singapore remained little changed as declines in distillate and fuel oil prices were offset by the decrease in the Dubai price.

Margins in Europe, which increased sharply in the first half of February, began decreasing in the second week of March as the Brent price increased, while margins in the US remained at a relatively high level during March. The margins in the two markets increased sharply at the end of the month as crude prices decreased.

Refining Margins in Major Refining Centres

(\$/bbl)

	Jan	Feb	Mar	Change	Week ending:					
					25 Feb	04 Mar	11 Mar	18 Mar	25 Mar	01 Apr
NW Europe										
Brent (Hydroskimming)	0.04	1.06	0.39	-0.67	1.44	1.32	0.93	-0.14	-0.40	0.44
Brent (Cracking)	1.73	2.50	1.95	-0.55	2.88	2.70	2.26	1.44	1.36	2.18
US Gulf Coast										
Brent (Cracking)	1.72	2.74	2.31	-0.42	2.75	2.64	2.46	2.10	1.94	2.52
WTI (Cracking)	1.76	2.44	2.32	-0.12	2.19	2.20	2.33	2.36	2.24	2.48
ANS (Cracking)	2.45	2.49	2.08	-0.41	2.15	2.11	2.20	2.04	1.84	2.25
Singapore										
Dubai(Hydroskimming)	0.72	1.06	1.01	-0.05	1.00	0.93	1.10	0.80	0.92	1.33

Refinery Crude Throughputs

The aggregate refinery throughputs of Europe, Japan and the US decreased slightly from 30.2 mb/d in January to 30.0 mb/d in February, with a Japanese increase more than offset by decreases in Europe and the US. The aggregate level was 0.7 mb/d or 2.2 per cent higher than the level in February 1993 with throughputs in Europe and Japan substantially higher than a year earlier.

Total crude inputs to distillation units in OECD European countries decreased by 0.2 mb/d from 12.4 mb/d in January to 12.2 mb/d in February reflecting refinery maintenance. However, the decline was unexpectedly small compared to the amount of maintenance that had been scheduled for February. Maintenance in February was scheduled to put about 800 kb/d more capacity out of service than in January. Some refiners in Europe are believed to have increased throughputs in response to high refining margins in February. As a result, European throughput levels in February were 4.3 per cent higher than a year earlier. Throughputs in the UK, France and Italy decreased while throughputs in Germany and Netherlands remained little changed.

Crude throughputs in the US decreased from 13.3 mb/d in January to 13.2 mb/d in February reflecting heavier refinery maintenance in February than in January. Close to 1 mb/d of distillation capacity was scheduled to be out of service in February. The February throughput level was about the same as a year earlier. Utilisation of operating capacity in the US (excluding idle plant, but including capacity temporarily out of service for maintenance) was 90 per cent in February.

Japanese crude throughputs increased from 4.5 mb/d in January to 4.6 mb/d in February reaching the highest level for many years as refiners increased throughputs to meet strong distillate demand, especially for kerosene. With the February weather colder than last year, kerosene demand was more than 10 per cent higher than last year, and stock levels were well below normal levels. The throughput level in February was 3.6 per cent higher than the level in February 1993. Utilisation of operating capacity remained close to 100 per cent.

Preliminary indications for March suggest somewhat lower throughput levels in Europe, consistent with heavier refinery maintenance. Weekly US statistics indicate that the throughput level in March decreased sharply to 12.8 mb/d, consistent with lower refinery margins. In Japan, crude throughputs in March are believed to have decreased sharply as the period of strong demand in winter came close to an end. In

Japan, the explosion at a fluid catalytic cracker of the Tonen Kawasaki refinery at the end of February led to the closure of the two distillation units of 65 kb/d and 175 kb/d. The 65 kb/d unit restarted in mid-March and the larger unit is expected to come back on stream by the end of April. However, in spite of this shut down, the aggregate level of Japanese refinery throughputs in March is believed to have been somewhat higher than a year earlier.

Refinery maintenance in Japan is scheduled to begin in April and concentrate in May and June, although sporadic maintenance outages usually continue until October. The maintenance in this May and June is scheduled to be somewhat lighter than the same period last year, with about 1 mb/d of distillation capacity out of service, although this schedule may be affected by the Tonen shutdown.

Refinery Crude Throughputs in OECD Countries

	million barrels per day					% change from previous year		
	Oct	Nov	Dec	Jan*	Feb*	Jan-Feb 94	Feb	Jan-Feb 94
OECD Europe	11.85	12.56	12.75	12.43	12.23	12.33	4.3	3.1
France	1.66	1.68	1.73	1.61	1.54	1.57	6.9	5.9
Germany	1.99	2.12	2.25	2.17	2.15	2.16	8.1	5.8
Italy	1.69	1.74	1.76	1.63	1.57	1.60	-4.1	-4.4
Netherlands	0.97	1.14	1.17	1.14	1.15	1.15	7.1	3.1
UK	1.70	1.75	1.75	1.82	1.64	1.73	-5.7	2.1
US	13.76	13.70	13.66	13.29	13.15	13.22	-0.1	0.9
Japan	3.75	4.31	4.35	4.51	4.58	4.55	3.6	3.1

* estimated

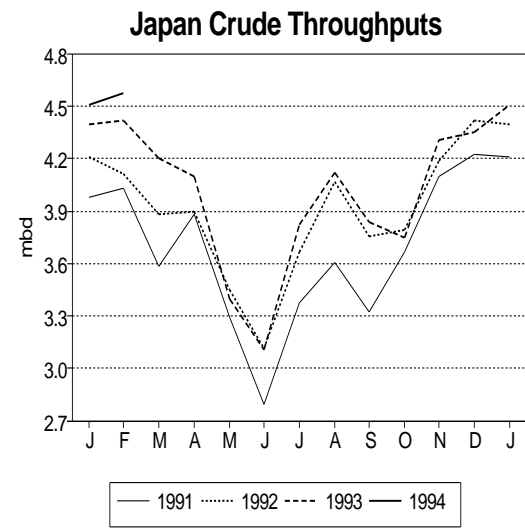
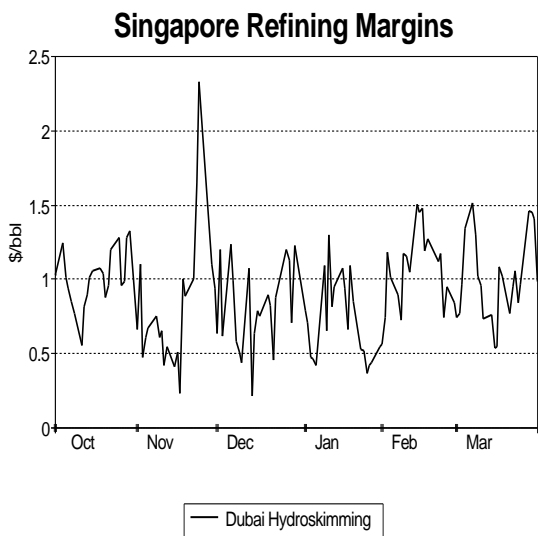
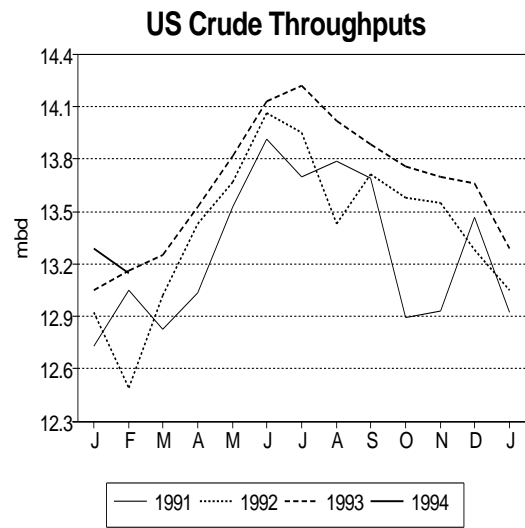
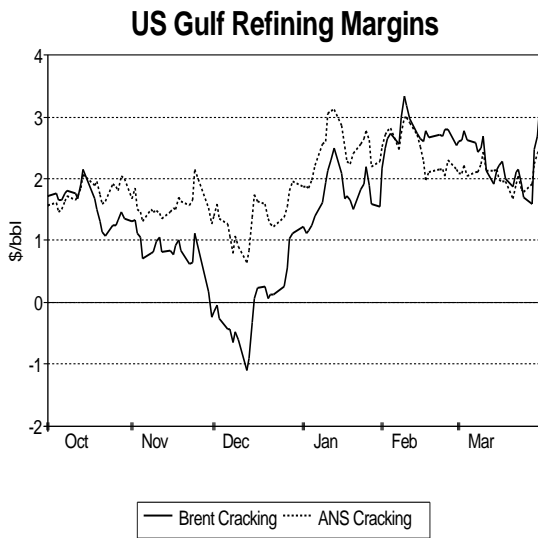
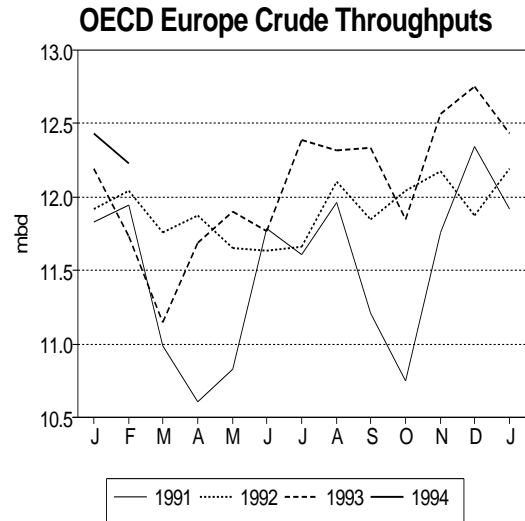
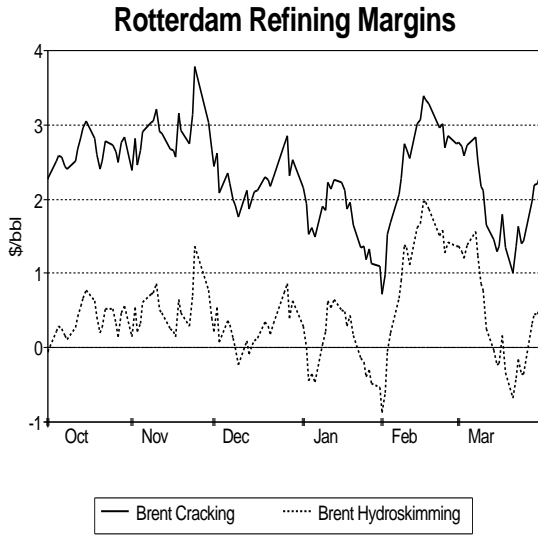


Table 1
WORLD OIL SUPPLY AND DEMAND

(million barrels per day)

	1990	1991	1Q92	2Q92	3Q92	4Q92	1992	1Q93	2Q93	3Q93	4Q93	1993	1Q94	2Q94	3Q94	4Q94	1994
DEMAND																	
OECD																	
North America	18.9	18.6	18.7	18.6	18.9	19.4	18.9	19.0	18.7	19.4	19.6	19.2	19.7	19.1	19.6	19.9	19.6
Europe ¹	13.0	13.4	14.1	13.0	13.6	13.8	13.6	13.7	13.1	13.7	14.2	13.7	13.8	13.2	13.7	14.0	13.7
Pacific	6.1	6.2	6.8	5.9	5.9	6.7	6.3	7.0	5.9	5.7	6.5	6.3	6.9	5.8	5.9	6.5	6.3
TOTAL OECD	38.1	38.2	39.6	37.5	38.5	39.9	38.9	39.7	37.8	38.8	40.3	39.1	40.4	38.2	39.2	40.4	39.6
NON-OECD																	
Former USSR ²	8.5	8.3	8.0	7.0	6.4	6.2	6.9	6.3	5.6	5.2	5.4	5.6	5.4	4.8	4.6	4.8	4.9
China ³	2.3	2.5	2.6	2.6	2.7	2.7	2.7	2.8	2.9	3.0	3.1	3.0	3.1	3.1	3.2	3.2	3.2
Europe ⁴	1.6	1.4	1.3	1.2	1.1	1.2	1.2	1.3	1.2	1.1	1.2	1.2	1.3	1.2	1.2	1.3	1.3
Latin America	5.1	5.3	5.4	5.4	5.5	5.6	5.5	5.5	5.6	5.6	5.7	5.6	5.6	5.7	5.8	5.8	5.7
Asia	5.5	5.9	6.5	6.3	6.0	6.8	6.4	6.9	6.6	6.5	7.1	6.8	7.2	7.0	6.8	7.5	7.1
Middle East	3.5	3.4	3.6	3.6	3.6	3.6	3.6	3.8	3.8	3.8	3.8	3.8	3.9	3.9	3.9	3.9	3.9
Africa	2.0	2.0	2.0	2.0	2.0	2.1	2.0	2.1	2.1	2.0	2.1	2.1	2.1	2.1	2.1	2.1	2.1
TOTAL NON-OECD	28.4	28.6	29.4	28.1	27.3	28.2	28.2	28.7	27.7	27.2	28.4	28.0	28.5	27.8	27.6	28.7	28.1
TOTAL DEMAND⁵	66.5	66.9	69.0	65.7	65.8	68.0	67.1	68.3	65.5	66.0	68.7	67.2	68.9	66.0	66.7	69.1	67.8
SUPPLY																	
OECD																	
North America	11.0	11.1	11.2	11.0	10.9	11.1	11.1	11.1	10.9	10.9	11.0	11.0	10.8	10.7	10.7	10.9	10.8
Europe	4.3	4.5	4.9	4.6	4.7	5.1	4.8	4.9	4.8	5.1	5.7	5.1	5.9	5.7	5.7	6.2	5.9
Pacific	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.6	0.7	0.6	0.6	0.6	0.7	0.7	0.7	0.7	0.7
TOTAL OECD	15.9	16.3	16.8	16.3	16.3	16.9	16.6	16.6	16.4	16.7	17.3	16.8	17.3	17.1	17.0	17.7	17.3
NON-OECD																	
Former USSR	11.5	10.4	9.5	9.2	8.8	8.4	9.0	8.2	8.0	7.7	7.5	7.8	7.1	7.0	6.8	6.7	6.9
China	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.9	2.9	2.9	3.0	2.9	2.9	2.9	3.0	3.0	2.9
Europe	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Latin America	5.4	5.6	5.7	5.7	5.7	5.7	5.7	5.7	5.8	5.7	5.9	5.8	5.9	6.0	6.0	6.1	6.0
Asia	1.7	1.7	1.8	1.7	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.9	1.9	1.9	1.8	1.9
Middle East	1.3	1.4	1.5	1.5	1.5	1.6	1.5	1.6	1.6	1.6	1.8	1.6	1.7	1.8	1.8	1.8	1.8
Africa	1.9	2.0	2.0	2.0	2.0	2.1	2.0	2.1	2.1	2.0	2.1	2.0	2.0	2.0	2.0	2.1	2.0
Processing Gains ⁶	1.4	1.4	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
TOTAL NON-OPEC	42.2	41.8	41.7	40.9	40.8	41.0	41.1	40.5	40.3	40.1	41.0	40.5	40.7	40.5	40.3	41.0	40.6
OPEC																	
Crude	22.7	23.0	23.8	23.4	24.1	24.9	24.1	25.1	24.2	24.7	24.9	24.7	24.8				
NGLs	2.0	2.1	2.1	2.1	2.1	2.1	2.1	2.2	2.2	2.2	2.2	2.2	2.2				
TOTAL OPEC	24.8	25.0	25.8	25.5	26.2	27.1	26.2	27.3	26.4	27.0	27.1	26.9	27.1				
TOTAL SUPPLY⁷	67.0	66.9	67.5	66.4	67.0	68.0	67.2	67.8	66.7	67.1	68.1	67.4	67.8				
STOCK CHANGE AND MISCELLANEOUS																	
REPORTED OECD																	
Industry	0.2	0.0	-1.2	0.6	0.6	-0.6	-0.1	-0.7	1.0	0.8	-0.9	0.3	-0.6				
Government	0.0	0.0	0.2	0.0	0.0	0.2	0.1	0.2	0.0	0.0	0.1	0.0	0.1				
TOTAL OECD	0.3	0.0	-1.0	0.6	0.6	-0.4	0.0	-0.5	1.1	0.8	-0.8	0.1	-0.5				
Floating Storage/Oil in Transit	0.2	-0.1	0.0	-0.2	0.2	0.0	0.0	-0.2	0.1	0.1	0.2	0.0	-0.4				
Other & Misc. to balance ⁷	0.0	0.1	-0.5	0.3	0.4	0.4	0.2	0.2	0.0	0.2	0.0	0.2	-0.2				
TOTAL STOCK CH. & MISC.	0.5	0.0	-1.5	0.7	1.2	0.0	0.2	-0.5	1.2	1.1	-0.6	0.3	-1.1				
Memo item:																	
FSU Net Exports	3.0	2.1	1.5	2.2	2.4	2.2	2.1	1.9	2.4	2.5	2.1	2.2	1.7	2.1	2.2	1.9	2.0

Totals may not add due to rounding.

1 Germany's eastern states are included in OECD Europe throughout the time period covered in this table.

2 Figures for former USSR are estimates of apparent domestic demand derived from official production figures and quarterly trade data.

3 Annual Chinese demand is estimated from production and (adjusted) trade data; quarterly figures represent estimates of domestic oil deliveries and are not derived from trade data.

4 Deliveries from refineries/primary stocks plus international marine bunkers, refinery fuel and crude for direct burning (includes oil from non-conventional sources and other sources of supply).

5 Net of volumetric gains and losses in refining process (excludes net gain/loss in former USSR, China and non-OECD Europe).

6 Comprises crude oil, condensates, NGLs, oil from non-conventional sources and other sources of supply.

7 Includes changes in non-reported stocks in OECD and non-OECD areas and crude oil ocean losses.

Table 2
OECD REGIONAL OIL DEMAND

(million barrels per day)

	Third Quarter			October			November			December			Fourth Quarter		
	1992	1993	%	1992	1993	%	1992	1993	%	1992	1993	%	1992	1993	%
North America															
LPG	1.93	1.94	0.1	2.27	2.23	-1.8	2.56	2.46	-4.1	2.61	2.40	-8.0	2.48	2.36	-4.8
Naphtha	0.28	0.26	-10.1	0.26	0.23	-10.2	0.24	0.25	3.5	0.26	0.27	3.4	0.25	0.25	-1.3
Motor Gasoline	8.14	8.52	4.7	7.96	8.08	1.5	7.79	8.06	3.5	8.07	8.35	3.5	7.94	8.16	2.8
Jet/Kerosene	1.49	1.51	1.5	1.47	1.49	1.8	1.54	1.58	2.8	1.51	1.67	10.0	1.51	1.58	4.9
Gasoil	3.14	3.22	2.4	3.47	3.49	0.6	3.45	3.64	5.4	3.74	3.85	2.7	3.56	3.66	2.9
Residual Fuel Oil	1.11	1.18	6.2	1.25	1.13	-9.1	1.22	1.17	-4.3	1.48	1.51	1.6	1.32	1.27	-3.6
Other Products	2.81	2.83	0.6	2.62	2.61	-0.6	2.34	2.41	3.0	2.16	2.05	-5.0	2.38	2.36	-0.8
Total	18.91	19.45	2.9	19.30	19.26	-0.2	19.14	19.56	2.2	19.84	20.09	1.3	19.43	19.64	1.1
Europe															
LPG	0.71	0.74	4.3	0.80	0.81	1.9	0.88	0.98	11.1	0.89	0.96	8.2	0.85	0.92	7.2
Naphtha	0.77	0.73	-5.5	0.67	0.67	0.9	0.80	0.75	-6.0	0.67	0.69	3.2	0.71	0.71	-0.9
Motor Gasoline	3.16	3.18	0.8	3.05	2.96	-3.2	2.93	3.02	3.0	3.09	3.02	-2.1	3.02	3.00	-0.9
Jet/Kerosene	0.82	0.87	5.5	0.78	0.80	2.7	0.70	0.75	7.3	0.70	0.79	13.4	0.73	0.78	7.6
Gasoil	4.58	4.59	0.2	4.63	4.67	1.0	4.74	5.39	13.8	5.12	5.43	6.1	4.83	5.16	6.9
Residual Fuel Oil	2.15	2.15	0.2	2.19	2.16	-1.7	2.49	2.46	-0.9	2.44	2.57	5.3	2.37	2.40	1.0
Other Products	1.43	1.39	-2.8	1.38	1.30	-5.3	1.31	1.28	-2.4	1.12	1.16	3.6	1.27	1.25	-1.7
Total	13.63	13.66	0.2	13.50	13.38	-0.9	13.85	14.64	5.7	14.02	14.63	4.3	13.79	14.21	3.0
Pacific															
LPG	0.63	0.64	1.2	0.66	0.65	-1.1	0.70	0.70	-0.9	0.75	0.78	4.0	0.70	0.71	0.8
Naphtha	0.46	0.45	-2.4	0.49	0.48	-3.4	0.52	0.49	-4.9	0.57	0.55	-2.9	0.53	0.51	-3.7
Motor Gasoline	1.19	1.20	1.2	1.13	1.15	1.5	1.13	1.18	3.6	1.26	1.28	2.0	1.17	1.20	2.3
Jet/Kerosene	0.48	0.49	2.5	0.58	0.62	6.2	0.81	0.81	0	1.12	1.18	4.9	0.84	0.87	3.7
Gasoil	1.30	1.31	1.1	1.36	1.37	0.6	1.43	1.51	5.5	1.56	1.57	0.4	1.45	1.48	2.1
Residual Fuel Oil	0.91	0.76	-15.8	0.94	0.80	-15.0	0.97	0.84	-13.6	0.95	0.89	-5.5	0.95	0.84	-11.4
Other Products	0.96	0.81	-15.6	1.00	0.79	-21.4	1.02	0.88	-13.3	1.02	0.90	-11.1	1.01	0.86	-15.3
Total	5.92	5.66	-4.3	6.17	5.85	-5.2	6.58	6.40	-2.7	7.22	7.16	-0.9	6.66	6.47	-2.8
OECD															
LPG	3.28	3.32	1.2	3.73	3.69	-0.9	4.14	4.13	-0.4	4.25	4.14	-2.5	4.04	3.99	-1.3
Naphtha	1.52	1.44	-5.4	1.42	1.38	-2.6	1.56	1.49	-4.2	1.50	1.51	0.9	1.49	1.46	-2.0
Motor Gasoline	12.48	12.91	3.4	12.14	12.18	0.3	11.85	12.25	3.4	12.41	12.65	1.9	12.14	12.36	1.8
Jet/Kerosene	2.79	2.86	2.8	2.83	2.92	3.0	3.05	3.14	3.1	3.34	3.64	9.0	3.07	3.23	5.2
Gasoil	9.02	9.12	1.1	9.46	9.54	0.8	9.62	10.54	9.6	10.43	10.85	4.0	9.84	10.30	4.7
Residual Fuel Oil	4.16	4.09	-1.7	4.38	4.08	-6.7	4.68	4.47	-4.4	4.87	4.97	2.1	4.64	4.51	-2.8
Other Products	5.21	5.04	-3.3	5.00	4.70	-6.1	4.67	4.58	-2.1	4.30	4.11	-4.2	4.66	4.46	-4.2
Total	38.45	38.77	0.8	38.97	38.49	-1.2	39.57	40.60	2.6	41.08	41.87	1.9	39.88	40.32	1.1

Demand, measured as deliveries from refineries and primary stocks, comprises inland deliveries, international bunkers and refinery fuel. It includes crude for direct burning, oil from non-conventional sources and other sources of supply.

Jet/kerosene comprises jet kerosene and non-aviation kerosene grades. Gasoil comprises diesel, light heating oil and other gasoils.

Percentage changes are calculated before rounding.

Table 2A
OIL DEMAND IN SELECTED OECD COUNTRIES
(million barrels per day)

	October			November			December			Fourth Quarter			January		
	1992	1993	%	1992	1993	%	1992	1993	%	1992	1993	%	1993	1994	%
United States															
LPG	2.10	2.06	-2.2	2.33	2.25	-3.6	2.39	2.18	-8.8	2.28	2.16	-5.0	2.10	2.58	22.9
Naphtha	0.19	0.17	-12.7	0.17	0.18	5.5	0.20	0.20	1.8	0.19	0.18	-2.1	0.16	0.18	12.9
Motor Gasoline	7.39	7.51	1.6	7.23	7.46	3.2	7.49	7.75	3.5	7.37	7.58	2.8	6.71	6.96	3.8
Jet/Kerosene	1.38	1.41	2.7	1.45	1.50	3.7	1.43	1.59	10.9	1.42	1.50	5.8	1.49	1.57	5.1
Gasoil	3.06	3.06	-0.1	3.04	3.19	5.1	3.32	3.41	2.5	3.14	3.22	2.5	3.10	3.64	17.2
Residual Fuel Oil	1.11	1.00	-9.7	1.04	1.01	-2.9	1.29	1.35	4.4	1.15	1.12	-2.4	1.01	1.29	28.2
Other Products	2.39	2.38	-0.7	2.14	2.23	4.0	1.99	1.87	-5.9	2.17	2.16	-0.8	1.85	1.87	1.1
Total	17.62	17.58	-0.2	17.40	17.82	2.4	18.12	18.35	1.3	17.72	17.92	1.1	16.42	18.09	10.2
Japan															
LPG	0.59	0.58	-2.3	0.63	0.62	-1.4	0.68	0.71	4.0	0.63	0.64	0.2	0.73	0.66	-10.3
Naphtha	0.48	0.47	-2.0	0.52	0.49	-4.8	0.56	0.55	-2.9	0.52	0.50	-3.2	0.55	0.56	1.7
Motor Gasoline	0.79	0.81	2.9	0.80	0.82	2.4	0.88	0.91	3.0	0.82	0.85	2.8	0.72	0.75	4.4
Jet/Kerosene	0.51	0.54	6.2	0.73	0.73	0.1	1.04	1.08	4.2	0.76	0.78	3.4	1.00	1.02	2.2
Gasoil	1.15	1.17	1.0	1.22	1.28	5.3	1.35	1.35	0.2	1.24	1.26	2.1	1.16	1.17	0.9
Residual Fuel Oil	0.90	0.76	-16.4	0.93	0.80	-14.3	0.91	0.86	-5.7	0.91	0.80	-12.1	0.92	0.90	-2.8
Other Products	0.89	0.66	-26.1	0.89	0.75	-15.4	0.91	0.75	-16.8	0.89	0.72	-19.5	0.84	0.83	-1.4
Total	5.31	4.98	-6.4	5.70	5.48	-3.8	6.32	6.20	-1.9	5.78	5.55	-3.9	5.92	5.88	-0.7
Germany															
LPG	0.08	0.09	4.9	0.10	0.12	20.7	0.10	0.12	20.6	0.10	0.11	16.0	0.11	0.12	10.9
Naphtha	0.18	0.21	15.3	0.21	0.19	-10.8	0.18	0.19	8.1	0.19	0.20	3.4	0.20	0.23	15.7
Motor Gasoline	0.76	0.73	-4.3	0.73	0.74	1.5	0.75	0.78	4.5	0.75	0.75	0.5	0.63	0.58	-8.6
Jet/Kerosene	0.11	0.13	10.9	0.11	0.11	3.1	0.10	0.11	9.4	0.11	0.12	7.9	0.10	0.11	10.9
Gasoil	1.16	1.22	5.6	1.16	1.43	23.3	1.27	1.48	16.6	1.20	1.38	15.1	1.08	1.04	-4.1
Residual Fuel Oil	0.21	0.18	-14.3	0.24	0.21	-11.4	0.22	0.22	0.8	0.22	0.20	-8.3	0.22	0.20	-8.6
Other Products	0.25	0.27	9.3	0.27	0.25	-6.1	0.23	0.23	-0.2	0.25	0.25	0.9	0.20	0.20	3.5
Total	2.76	2.82	2.5	2.83	3.07	8.5	2.85	3.14	10.2	2.81	3.01	7.1	2.54	2.48	-2.2
Italy															
LPG	0.11	0.10	-7.1	0.11	0.14	23.7	0.10	0.16	47.8	0.11	0.13	20.9	0.13	0.14	7.6
Naphtha	0.07	0.10	43.6	0.07	0.07	4.0	0.06	0.09	39.3	0.07	0.09	28.5	0.09	0.09	-1.2
Motor Gasoline	0.38	0.39	0.6	0.39	0.42	6.6	0.39	0.39	0.6	0.39	0.40	2.5	0.33	0.34	4.9
Jet/Kerosene	0.07	0.07	4.7	0.07	0.07	2.5	0.07	0.08	17.1	0.07	0.07	8.2	0.07	0.07	2.8
Gasoil	0.59	0.57	-4.0	0.59	0.64	8.6	0.67	0.71	6.9	0.62	0.64	3.9	0.63	0.50	-19.6
Residual Fuel Oil	0.50	0.55	9.2	0.65	0.61	-6.1	0.63	0.63	0.8	0.59	0.60	0.7	0.47	0.53	12.1
Other Products	0.19	0.14	-27.3	0.17	0.17	-2.5	0.15	0.16	7.5	0.17	0.16	-9.0	0.16	0.14	-13.1
Total	1.92	1.92	-0.2	2.05	2.11	3.1	2.07	2.22	7.2	2.01	2.08	3.5	1.87	1.81	-3.2
France															
LPG	0.14	0.12	-9.3	0.13	0.15	13.5	0.14	0.15	7.9	0.14	0.14	4.0	0.14	0.14	1.9
Naphtha	0.15	0.11	-26.9	0.21	0.19	-8.5	0.16	0.13	-15.2	0.17	0.14	-16.0	0.21	0.17	-17.4
Motor Gasoline	0.38	0.35	-6.2	0.34	0.34	-2.1	0.37	0.34	-8.6	0.36	0.34	-5.8	0.32	0.31	-4.7
Jet/Kerosene	0.09	0.08	-14.6	0.08	0.09	4.5	0.08	0.09	8.0	0.08	0.08	-1.1	0.09	0.09	2.4
Gasoil	0.83	0.82	-1.9	0.79	0.95	20.7	0.90	0.95	5.1	0.84	0.90	7.5	0.90	0.87	-3.5
Residual Fuel Oil	0.16	0.16	1.2	0.17	0.19	11.1	0.20	0.20	3.1	0.18	0.19	5.1	0.16	0.17	2.1
Other Products	0.20	0.18	-9.7	0.17	0.17	1.9	0.16	0.16	-0.9	0.17	0.17	-3.4	0.14	0.13	-6.3
Total	1.95	1.82	-6.3	1.90	2.08	9.6	2.01	2.02	0.6	1.95	1.97	1.1	1.96	1.87	-4.2
United Kingdom															
LPG	0.12	0.14	9.8	0.13	0.17	28.1	0.13	0.14	4.8	0.13	0.15	14.0	0.13	0.14	13.3
Naphtha	0.07	0.07	-1.2	0.07	0.08	7.1	0.08	0.09	13.1	0.07	0.08	6.7	0.09	0.08	-9.8
Motor Gasoline	0.56	0.54	-4.8	0.55	0.57	3.4	0.56	0.52	-7.7	0.56	0.54	-3.2	0.48	0.47	-2.5
Jet/Kerosene	0.20	0.22	8.7	0.18	0.22	16.4	0.20	0.21	2.8	0.20	0.22	9.0	0.20	0.21	5.4
Gasoil	0.44	0.44	-0.7	0.45	0.50	12.0	0.43	0.41	-4.0	0.44	0.45	2.4	0.41	0.41	-0.6
Residual Fuel Oil	0.26	0.23	-11.5	0.31	0.29	-8.2	0.29	0.32	11.9	0.29	0.28	-2.4	0.26	0.25	-4.7
Other Products	0.16	0.16	2.3	0.16	0.17	4.0	0.14	0.14	2.9	0.15	0.16	3.1	0.15	0.15	-0.1
Total	1.82	1.80	-1.5	1.85	1.98	6.7	1.84	1.84	0.1	1.84	1.87	1.7	1.72	1.71	-0.5
Canada															
LPG	0.17	0.17	2.4	0.23	0.21	-9.5	0.22	0.22	0.6	0.21	0.20	-2.6	0.21	0.22	7.9
Naphtha	0.07	0.07	-3.2	0.07	0.07	-1.2	0.06	0.07	8.4	0.07	0.07	1.1	0.07	0.06	-13.0
Motor Gasoline	0.57	0.57	-0.3	0.56	0.59	6.4	0.58	0.60	3.9	0.57	0.59	3.3	0.49	0.52	5.5
Jet/Kerosene	0.09	0.08	-12.5	0.09	0.08	-12.1	0.08	0.08	-6.7	0.09	0.08	-10.5	0.08	0.08	1.6
Gasoil	0.41	0.44	5.2	0.41	0.44	7.8	0.42	0.44	4.6	0.42	0.44	5.8	0.41	0.50	24.3
Residual Fuel Oil	0.14	0.13	-3.9	0.18	0.16	-12.4	0.19	0.16	-17.1	0.17	0.15	-11.8	0.17	0.17	-0.1
Other Products	0.23	0.23	0.2	0.20	0.19	-7.8	0.17	0.18	4.8	0.20	0.20	-1.1	0.18	0.15	-13.1
Total	1.67	1.68	0.4	1.75	1.74	-0.2	1.72	1.74	1.1	1.71	1.72	0.4	1.60	1.71	6.9

Demand, measured as deliveries from refineries and primary stocks, comprises inland deliveries, international bunkers and refinery fuel. It includes crude for direct burning, oil from non-conventional sources and other sources of supply.

Jet/kerosene comprises jet kerosene and non-aviation kerosene grades. Gasoil comprises diesel, light heating oil and other gasoils.

Percentage changes are calculated before rounding.

Table 3
WORLD OIL PRODUCTION

(million barrels per day)

	1992	1993	1994*	2Q93	3Q93	4Q93	1Q94	DEC93	JAN94	FEB94*	MAR94*
OPEC											
Crude Oil											
Saudi Arabia	8.22	7.96		7.91	7.91	7.88	7.88	7.88	7.88	7.88	7.88
Iran	3.43	3.65		3.60	3.70	3.60	3.63	3.60	3.65	3.60	3.64
Iraq	0.43	0.48		0.45	0.48	0.54	0.51	0.54	0.52	0.51	0.51
UAE	2.29	2.20		2.20	2.16	2.17	2.15	2.16	2.14	2.15	2.15
Kuwait	0.88	1.69		1.52	1.79	1.82	1.80	1.80	1.81	1.80	1.80
Neutral Zone	0.36	0.36		0.30	0.38	0.39	0.38	0.40	0.36	0.36	0.40
Qatar	0.40	0.42		0.42	0.43	0.41	0.40	0.40	0.40	0.40	0.40
Nigeria	1.88	1.91		1.83	1.90	1.98	2.03	2.04	2.00	2.06	2.05
Libya	1.48	1.37		1.35	1.36	1.37	1.31	1.35	1.28	1.30	1.35
Algeria	0.75	0.75		0.74	0.74	0.75	0.75	0.75	0.74	0.75	0.75
Gabon	0.29	0.30		0.30	0.29	0.30	0.29	0.30	0.29	0.29	0.29
Venezuela	2.33	2.31		2.26	2.28	2.36	2.38	2.35	2.35	2.40	2.40
Indonesia	1.33	1.34		1.36	1.34	1.32	1.31	1.33	1.33	1.30	1.29
Total Crude Oil	24.06	24.73		24.23	24.75	24.86	24.82	24.89	24.75	24.80	24.90
NGLs ¹	2.09	2.21		2.22	2.24	2.21	2.24	2.23	2.24	2.24	2.24
TOTAL OPEC²	26.15	26.94		26.45	26.99	27.07	27.06	27.11	27.00	27.04	27.14
NON-OPEC²											
OECD											
United States	9.00	8.80	8.61	8.79	8.65	8.79	8.64	8.70	8.67	8.66	8.60
Canada	2.06	2.17	2.17	2.12	2.25	2.21	2.19	2.20	2.22	2.18	2.19
UK	2.00	2.17	2.62	1.92	2.19	2.50	2.58	2.56	2.54	2.52	2.69
Norway	2.22	2.37	2.58	2.29	2.35	2.60	2.66	2.59	2.71	2.64	2.61
Australia	0.60	0.56	0.60	0.60	0.57	0.51	0.57	0.53	0.56	0.57	0.58
Other OECD	0.69	0.68	0.74	0.68	0.67	0.71	0.73	0.73	0.72	0.72	0.74
Total OECD	16.56	16.75	17.31	16.40	16.67	17.31	17.38	17.31	17.42	17.29	17.41
Non-OECD											
Former USSR	8.97	7.83	6.87	8.03	7.65	7.48	7.10	7.40	7.45	6.93	6.93
Russia	7.93	6.86	5.95	7.05	6.68	6.51	6.16	6.43	6.50	5.98	5.98
Others	1.05	0.97	0.93	0.98	0.97	0.97	0.95	0.97	0.95	0.95	0.95
China	2.84	2.92	2.94	2.93	2.89	2.96	2.90	2.96	2.86	2.92	2.93
Europe	0.28	0.28	0.28	0.28	0.29	0.28	0.28	0.28	0.28	0.28	0.28
Latin America	5.67	5.77	6.02	5.76	5.74	5.91	5.91	5.91	5.91	5.92	5.91
Mexico	3.12	3.14	3.20	3.13	3.12	3.21	3.18	3.23	3.18	3.18	3.18
Brazil	0.85	0.88	0.94	0.86	0.88	0.91	0.92	0.91	0.91	0.93	0.93
Colombia	0.45	0.46	0.50	0.47	0.44	0.45	0.46	0.41	0.46	0.46	0.46
Ecuador	0.32	0.34	0.37	0.34	0.34	0.35	0.34	0.35	0.34	0.34	0.34
Others	0.93	0.96	1.01	0.95	0.96	0.99	1.01	1.01	1.01	1.01	1.01
Asia	1.77	1.82	1.86	1.80	1.80	1.84	1.87	1.84	1.89	1.86	1.85
Middle East	1.50	1.63	1.79	1.58	1.63	1.75	1.74	1.79	1.74	1.74	1.74
Africa	2.02	2.04	2.05	2.05	2.02	2.06	2.04	2.05	2.04	2.04	2.04
Total Non-OECD	23.06	22.29	21.82	22.43	22.02	22.28	21.85	22.23	22.16	21.69	21.68
Processing Gains ³	1.45	1.45	1.50	1.45	1.45	1.45	1.50	1.45	1.50	1.50	1.50
TOTAL NON-OPEC	41.07	40.50	40.63	40.28	40.14	41.04	40.72	40.99	41.09	40.47	40.59
TOTAL SUPPLY	67.23	67.44		66.73	67.13	68.12	67.78	68.11	68.08	67.52	67.73

Totals may not add due to rounding.

1 Includes condensates reported by OPEC countries and oil from non-conventional sources, e.g. Orimulsion.

2 Comprises crude oil, condensates, NGLs and oil from non-conventional sources.

3 Ecuador is identified separately as a non-OPEC producer country throughout the period covered by this table for the purposes of comparison.

4 Net of volumetric gains and losses in refining (excludes net gain/loss in former USSR, China and non-OECD Europe).

* estimated

Table 4
INDUSTRY STOCKS¹ AND QUARTERLY STOCK CHANGES

	RECENT MONTHLY STOCKS ² in Million Tons					PRIOR YEARS' STOCKS ² in Million Tons			STOCK CHANGES ³ in mb/d			
	OCT93	NOV93	DEC93*	JAN94*	FEB94*	FEB91	FEB92	FEB93	Q193	Q293	Q393	Q493
North America												
Crude	38.8	39.5	38.6	39.6	39.6	38.5	39.9	37.8	0.12	0.20	-0.26	0.06
Gasoline	22.6	24.0	24.6	26.1	25.0	24.5	25.4	26.2	0.20	-0.10	-0.15	0.22
Middle Distillates	26.9	27.3	25.8	22.8	21.1	22.4	22.2	22.1	-0.53	0.17	0.27	0.04
Heavy Fuel Oil	15.3	15.9	14.8	14.0	13.6	17.4	15.9	15.1	-0.13	0.11	-0.09	0.02
Total Products ⁴	83.7	85.2	82.2	78.7	75.3	80.3	79.8	79.7	-0.52	0.56	0.24	-0.09
Total ⁵	144.0	144.9	138.6	137.3	134.5	136.3	137.0	136.8	-0.15	0.86	0.09	-0.42
OECD Europe												
Crude	40.2	40.7	40.9	41.5	41.8	37.7	38.5	39.4	0.02	-0.06	-0.10	0.14
Gasoline	15.6	16.0	16.4	17.7	18.0	16.9	17.8	17.3	0.11	-0.11	0.00	0.09
Middle Distillates	33.8	32.4	32.1	34.4	33.1	30.3	32.7	32.3	-0.35	0.16	0.20	-0.15
Heavy Fuel Oil	24.8	24.5	23.8	23.3	22.8	26.0	23.2	23.9	-0.04	0.06	0.08	-0.11
Total Products ⁴	83.9	82.9	82.2	85.5	83.7	83.1	83.7	83.7	-0.32	0.10	0.31	-0.19
Total ⁵	131.9	131.2	130.8	134.5	133.0	129.3	129.1	130.8	-0.30	0.05	0.17	-0.05
OECD Pacific												
Crude	23.7	22.4	21.1	20.7	20.5	22.8	24.0	21.2	-0.02	0.08	0.08	-0.17
Gasoline	3.0	2.9	2.7	3.0	2.9	2.9	3.0	3.0	0.03	0.00	0.01	-0.03
Middle Distillates	10.7	10.5	9.0	8.6	7.4	8.2	7.7	7.8	-0.21	0.13	0.21	-0.13
Heavy Fuel Oil	2.9	2.8	2.6	2.4	2.3	2.6	2.6	2.6	0.00	0.00	0.04	-0.03
Total Products ⁴	22.6	21.9	19.9	19.4	18.0	19.6	18.9	19.3	-0.19	0.08	0.32	-0.23
Total ⁵	58.3	56.5	52.5	52.1	50.5	53.9	53.6	52.6	-0.21	0.10	0.52	-0.47
OECD												
Crude	102.7	102.6	100.6	101.8	101.8	99.1	102.5	98.4	0.12	0.22	-0.29	0.03
Gasoline	41.2	42.9	43.7	46.8	45.8	44.4	46.1	46.6	0.34	-0.21	-0.14	0.28
Middle Distillates	71.3	70.2	66.9	65.8	61.6	60.8	62.6	62.2	-1.10	0.46	0.68	-0.25
Heavy Fuel Oil	43.1	43.2	41.2	39.8	38.7	46.0	41.7	41.6	-0.18	0.17	0.03	-0.11
Total Products ⁴	190.2	190.0	184.3	183.5	177.0	183.0	182.3	182.6	-1.04	0.75	0.87	-0.50
Total ⁵	334.2	332.6	321.8	323.9	318.0	319.5	319.7	320.1	-0.66	1.02	0.78	-0.94

GOVERNMENT-CONTROLLED STOCKS⁶ AND QUARTERLY STOCK CHANGES

	RECENT MONTHLY STOCKS ² in Million Tons					PRIOR YEARS' STOCKS ² in Million Tons			STOCK CHANGES ³ in mb/d			
	OCT93	NOV93	DEC93*	JAN94*	FEB94*	FEB91	FEB92	FEB93	Q193	Q293	Q393	Q493
North America												
Crude	79.2	79.3	79.3	79.4	79.4	78.6	76.8	77.8	0.03	0.06	0.03	0.02
OECD Europe												
Crude	17.7	17.7	17.7	17.7	17.7	16.6	17.5	17.7	0.00	0.00	0.00	-0.01
Products	16.1	16.0	16.0	15.8	15.8	14.5	15.1	16.2	0.02	-0.01	-0.01	-0.01
OECD Pacific												
Crude	34.1	34.4	34.9	35.3	35.9	28.2	30.7	33.4	0.10	0.00	0.01	0.11
OECD												
Crude	131.0	131.4	131.9	132.4	133.0	123.5	125.0	128.9	0.13	0.06	0.04	0.11
Products	16.1	16.0	16.0	15.8	15.8	14.5	15.1	16.2	0.02	-0.01	-0.01	0.00
Total ⁵	147.2	147.3	147.9	148.2	148.8	138.0	140.1	145.1	0.16	0.05	0.03	0.10

* Estimated

1 Stocks are on land primary stocks excluding unreported entrepot stocks.

2 Closing Stock levels.

3 Conversion factors are country specific and vary over time.

4 Total products includes gasoline, middle distillates, fuel oil and other products.

5 Total includes crude, products, NGL and feedstocks.

6 Includes government-owned stocks and entity stocks held for emergency purposes.

Table 5
STOCKS ON LAND IN OECD COUNTRIES

(millions of metric tons' and 'days')

	End December 1992		End March 1993		End June 1993		End September 1993		End December 1993 ¹	
	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand
Canada	14.2	68	14.4	71	14.5	67	14.6	68	-	-
United States	199.0	94	198.4	95	207.0	95	206.2	95	-	-
NORTH AMERICA	213.1	92	212.8	93	221.5	93	220.8	92	217.9	91
Australia	4.6	49	4.6	49	4.7	51	5.0	52	-	-
Japan	79.4	101	78.2	122	79.5	130	85.4	121	-	-
New Zealand	1.1	70	1.1	70	1.1	77	1.2	73	-	-
PACIFIC	85.1	96	83.9	111	85.3	119	91.6	112	87.3	99
Austria	2.9	97	2.9	97	2.9	94	2.9	90	-	-
Belgium	5.1	76	4.9	77	5.1	78	5.5	75	-	-
Denmark	4.0	152	3.5	138	3.2	124	3.5	120	-	-
Finland	3.3	124	3.1	118	2.9	95	2.7	86	-	-
France	19.2	73	18.2	76	18.3	80	19.6	77	-	-
Germany	43.6	121	43.6	120	43.8	113	44.1	114	-	-
Greece	4.4	91	4.8	122	4.7	112	4.5	86	-	-
Ireland	1.2	89	1.2	99	1.2	93	1.2	89	-	-
Italy	22.5	88	21.2	91	21.6	89	21.2	77	-	-
Luxembourg	0.4	70	0.4	73	0.4	78	0.4	72	-	-
Netherlands	10.3	105	9.3	96	10.2	100	10.8	109	-	-
Norway	4.7	201	4.7	184	3.8	144	4.9	206	-	-
Portugal	3.0	82	3.1	87	3.1	89	3.2	99	-	-
Spain	9.9	72	9.9	79	9.7	67	9.7	75	-	-
Sweden	5.2	124	4.9	128	5.5	138	5.4	113	-	-
Switzerland	5.0	146	5.2	156	4.8	133	4.7	129	-	-
Turkey	3.4	51	3.5	52	3.7	44	3.3	42	-	-
United Kingdom	17.5	75	18.2	83	18.3	80	17.7	75	-	-
EUROPE³	165.6	94	162.4	97	163.3	92	165.4	90	164.5	92
OECD⁴	463.8	93	459.2	97	470.1	97	477.7	95	469.7	93
DAYS OF IEA NET IMPORTS⁵	-	146	-	139	-	143	-	146	-	-

1 End December 1993 stock level based on preliminary data.

2 End December 1993 forward demand figures are IEA Secretariat forecasts.

3 Data not available for Iceland.

4 May not add due to rounding.

5 Reflects stock levels and prior calendar year's net imports adjusted according to IEA emergency reserve definitions. Net exporting IEA countries are excluded.

Table 6
STOCKS ON LAND IN OECD COUNTRIES

CLOSING STOCKS	Millions of Metric Tons			Days of Forward Demand ³		
	Total ¹	Government ² controlled	Companies	Total ¹	Government ² controlled	Companies
Q484	440	105	334	95	23	72
Q185	415	106	309	100	25	74
Q285	422	108	314	98	25	73
Q385	420	115	304	93	25	67
Q485	429	118	311	93	25	67
Q186	416	113	303	94	25	68
Q286	428	114	315	96	25	71
Q386	454	115	338	98	25	73
Q486	444	118	326	94	25	69
Q187	429	119	310	97	27	70
Q287	432	120	312	95	26	68
Q387	453	122	331	96	26	70
Q487	457	126	331	95	26	68
Q188	440	129	311	98	29	69
Q288	454	129	325	98	28	70
Q388	462	129	332	92	26	66
Q488	451	132	319	92	27	65
Q189	445	134	311	97	29	67
Q289	453	134	319	97	29	68
Q389	466	136	331	93	27	66
Q489	456	136	319	93	28	65
Q190	466	138	328	99	29	70
Q290	477	139	338	98	29	69
Q390	478	139	339	100	29	71
Q490	469	138	330	96	28	68
Q191	461	136	324	98	29	69
Q291	464	136	327	98	29	69
Q391	477	137	340	96	28	69
Q491	467	139	328	94	28	66
Q192	454	141	314	96	30	67
Q292	460	141	319	95	29	66
Q392	466	141	325	93	28	65
Q492	464	144	320	93	29	64
Q193	459	145	314	97	31	66
Q293	470	146	324	97	30	67
Q393	478	146	331	95	29	66
Q493	470	148	322	93	29	64

1 May not add due to rounding.

2 Includes government-owned stocks and entity stocks held for emergency purposes.

3 Days of forward demand calculated using actual demand except in 1993 (when latest forecast is used).

Table 7
AVERAGE IEA CIF CRUDE COST AND SPOT CRUDE AND PRODUCT PRICES
(\$/bbl)

	1991	1992	1993	1Q93	2Q93	3Q93	4Q93	1Q94	Oct93	Nov93	Dec93	Jan94	Feb94	Mar94
Crude Oil Prices														
IEA CIF Average Import	19.30	18.49	16.38	17.41	17.53	15.86	14.81	13.34*	15.69	15.08	13.68	13.53	13.40*	13.10*
FOB Spot														
Brent (Dated)	19.99	19.30	17.00	18.21	18.23	16.49	15.08	13.97	16.50	15.17	13.56	14.27	13.73	13.90
WTI (1st month)	21.53	20.54	18.44	19.81	19.76	17.78	16.42	14.84	18.11	16.66	14.49	15.04	14.79	14.68
Dubai (1st month)	16.53	17.18	14.93	15.85	15.93	14.37	13.56	12.74	14.75	13.75	12.18	13.28	12.80	12.14
Product Prices 1														
Rotterdam														
Premium 0.15 g/l	28.37	25.31	22.45	23.12	24.42	22.59	19.67	17.52	21.75	20.07	17.19	17.30	17.75	17.50
Regular Unleaded	26.57	23.75	20.70	21.72	22.82	20.33	17.91	16.42	19.87	18.25	15.62	15.96	16.54	16.77
Naphtha	23.71	20.93	18.47	19.76	20.14	17.66	16.33	15.00	17.72	16.68	14.59	14.57	15.40	15.01
Jet/Kerosene	28.07	24.90	23.37	24.24	23.72	22.41	23.10	20.33	24.42	23.63	21.27	20.83	20.35	19.81
Gasoil	26.96	23.76	22.28	22.90	23.26	21.54	21.39	18.99	22.76	21.95	19.47	19.23	18.97	18.76
Fuel Oil 1.0%S	14.22	14.26	13.50	14.58	14.67	13.13	11.62	12.62	12.92	11.46	10.48	11.86	13.32	12.66
Fuel Oil 3.5%S	12.27	12.90	10.22	11.27	10.95	9.35	9.30	11.28	9.83	9.69	8.38	9.51	12.21	12.12
Gross Product Worth 2	24.63	22.11	20.27	21.03	21.46	19.81	18.76	17.04	20.28	19.14	16.87	16.98	17.22	16.92
NY Harbour														
Super Unleaded 93	29.79	26.86	23.69	23.74	26.04	24.42	20.56	20.85	23.40	20.44	17.84	20.75	20.97	20.82
Regular Unleaded 87	27.54	24.57	21.58	22.33	23.91	21.53	18.55	18.20	21.13	18.66	15.86	17.74	18.38	18.48
Jet/Kerosene	26.65	24.88	23.33	24.34	23.91	22.34	22.72	23.57	24.81	23.54	19.83	24.60	25.56	20.56
No.2 (Heating Oil)	25.56	24.00	22.04	23.41	22.74	21.33	20.65	21.41	22.61	21.11	18.23	20.94	23.00	20.30
Fuel Oil 1.0%S	15.02	15.31	14.63	15.26	15.87	14.28	13.11	15.45	14.73	12.75	11.84	15.28	17.57	13.51
Fuel Oil 3.5%S	11.42	12.34	11.21	11.91	12.17	10.93	9.83	10.73	10.57	9.83	9.09	10.70	11.30	10.19
Gross Product Worth 3	23.91	22.30	20.16	20.79	22.26	19.83	17.76	17.91	19.95	17.93	15.39	17.70	18.13	17.88
Singapore														
Regular 0.15 g/l	28.63	26.56	24.01	24.66	26.59	23.28	21.51	19.31	23.38	22.11	19.03	18.80	20.01	19.11
Naphtha	22.84	20.24	17.22	18.45	19.24	16.38	14.80	13.48	15.90	15.16	13.36	13.38	13.72	13.34
Jet/Kerosene	28.29	25.39	24.42	25.55	25.29	22.77	24.07	21.56	25.08	24.74	22.39	22.49	21.45	20.73
Gasoil	28.20	25.12	24.02	24.97	25.27	22.91	22.92	20.45	24.26	23.42	21.09	21.17	20.59	19.59
LSWR (0.3%S)	15.16	14.72	14.90	16.17	19.16	13.53	10.74	11.00	12.90	10.79	8.54	10.68	11.55	10.77
HSFO (3.5%S 180cst)	14.10	13.44	11.83	12.69	13.23	11.37	10.04	10.56	11.45	9.58	9.07	10.94	10.67	10.08
Gross Product Worth 4	20.06	18.45	17.17	18.24	18.94	16.16	15.32	14.42	16.66	15.47	13.84	14.75	14.58	13.93

* = Estimated.

1 Product prices are converted to \$/bbl using following conversion factors.

Rotterdam: 8.35 bbl/MT for premium leaded gasoline, 8.46 bbl/MT for regular unleaded gasoline, 8.82 bbl/MT for naphtha, 7.88 bbl/MT for jet fuel, 7.46 bbl/MT for gasoil, 6.49 bbl/MT for 1.0% LSFO and 6.31 bbl/MT for 3.5% HSFO.

Singapore: 6.46 bbl/MT for 3.5% HSFO.

2 Calculated using Brent cracking yield of a refinery in North West Europe.

3 Calculated using Brent cracking yield of a refinery in US Gulf Coast.

4 Calculated using Dubai hydroskimming yield of a refinery in Singapore.

Table 8
END USER PRICES FOR PETROLEUM PRODUCTS¹
March 1994

	National Currency						US Dollars					
	Price	Tax	%ch Prev.Month		%ch Year Ago		Price	Excl.Tax	%ch Prev.Month		%ch Year Ago	
			Price	Excl.Tax	Price	Excl.Tax	Price	Excl.Tax	Price	Excl.Tax	Price	Excl.Tax
GASOLINE² Price per Litre												
France	5.570	4.533	-0.4	-1.5	5.7	-11.2	0.964	0.180	1.9	1.1	2.3	-13.9
Germany	1.476	1.173	-0.8	-3.5	9.7	-13.4	0.868	0.178	1.3	-1.7	6.2	-16.0
Italy	1670.0	1285.7	-0.7	-2.4	5.6	-7.3	0.995	0.229	-0.2	-1.7	0.4	-11.9
Spain	107.1	74.5	-0.4	-1.2	6.6	2.5	0.768	0.234	0.8	0.0	-10.1	-13.7
UK	0.555	0.414	-0.7	-2.8	5.6	-17.1	0.828	0.211	0.0	-1.9	7.7	-15.3
Japan	119	57	0.0	0.0	-4.0	-6.1	1.130	0.589	0.8	0.9	6.6	4.4
Canada	0.499	0.259	0.4	1.7	-4.9	-9.1	0.367	0.177	-0.8	0.6	-12.6	-16.1
USA ³	0.277	0.100	-0.4	-0.6	-4.5	-12.9	0.277	0.177	-0.4	-0.6	-4.5	-12.8
AUTOMOTIVE DIESEL⁴ Price per Litre												
France	3.272	2.122	-1.2	-3.4	8.8	-9.4	0.566	0.199	0.9	-1.5	5.4	-12.3
Germany	0.978	0.620	-2.5	-6.5	4.0	-9.6	0.575	0.210	-0.3	-4.5	0.7	-12.9
Italy	1029.41	676.04	-1.1	-3.0	2.9	-5.8	0.613	0.210	-0.6	-2.8	-2.2	-10.6
Spain	71.66	40.30	-1.4	-3.1	5.7	2.8	0.514	0.225	0.0	-1.7	-10.8	-13.1
UK	0.430	0.277	-1.4	-3.8	5.0	-15.5	0.641	0.228	-0.6	-3.0	7.0	-14.0
Japan	79	34	0.0	0.0	5.3	-8.4	0.750	0.426	0.8	0.7	17.0	1.7
Canada	0.510	0.213	-0.4	-1.0	-1.9	-2.0	0.375	0.218	-1.8	-2.7	-10.1	-10.3
USA	..	..	..	..	..	..	..	..	..	..	..	..
DOMESTIC HEATING OIL Price per 1000 Litres												
France	2058.3	809.7	-2.7	-3.7	-2.4	-6.9	356.1	216.0	-0.6	-1.6	-5.6	-9.9
Germany	439.9	137.4	1.9	2.4	-7.5	-9.3	258.7	177.9	4.1	4.6	-10.4	-12.1
Italy	1239000	873860	-0.4	-1.1	4.9	-0.5	738.1	217.5	0.0	-0.7	-0.3	-5.4
Spain	44360	17586	-1.7	-2.4	-5.0	-9.6	317.9	191.9	-0.5	-1.2	-19.9	-23.7
UK	124.73	16.40	-2.1	-2.5	-10.8	-14.2	185.9	161.4	-1.4	-1.8	-9.1	-12.6
Japan ⁵	49440	1440	0.0	0.0	-2.2	-2.2	469.5	455.8	0.9	0.9	8.6	8.6
Canada	387.0	35.0	-1.3	-1.4	0.3	0.3	284.6	258.9	-2.6	-2.7	-8.0	-8.0
USA ⁶	258.4	..	6.4	..	0.5	..	258.4	..	6.4	..	0.5	..
HFO FOR INDUSTRY⁷ Price per Metric Ton												
France	676.8	151.8	-1.5	-1.9	4.8	4.0	117.1	90.8	0.7	0.3	1.5	0.6
Germany	197.0	30.0	-1.0	-1.2	-9.6	-11.2	115.8	98.2	1.1	0.9	-12.5	-14.0
Italy	255960	45000	0.4	0.4	4.1	5.0	152.5	125.7	0.8	0.9	-1.1	-0.2
Spain	18570	2003	6.3	7.1	24.2	26.0	133.1	118.7	7.6	8.4	4.8	6.3
UK	74.58	11.67	1.8	2.2	2.9	0.0	111.1	93.7	2.6	2.9	4.9	2.0
Japan	20817	606	0.0	0.0	-19.0	-19.0	197.7	191.9	0.9	0.9	-10.0	-10.0
Canada	..	..	..	..	..	..	..	..	..	..	..	..
USA	..	..	..	..	..	..	..	..	..	..	..	..

1 Mid Month Prices

2 Premium leaded gasoline for France, Italy, Spain, UK; regular unleaded gasoline for Canada, Germany, Japan, and USA.

3 Estimated

4 VAT excluded where it is refundable : HFO for Industry, Automotive Diesel for Industry

5 Kerosene

6 February data.

7 High sulphur fuel oil price for France, Spain, UK and Japan; low sulphur fuel oil price for Germany and Italy.

Sources and Use of Data

Supply, Demand, Stock and Refinery Activity Data

The historical data in this report are submitted in the monthly oil and gas statistics questionnaire returned by the 24 OECD countries consisting of the 23 Member countries of the International Energy Agency (IEA) and Iceland. The returns are made during the seven to eight week period following the month to which the figures relate and cover supply, demand and stock data for crude oil and individual oil products. The data are revised as necessary, and notably when more definitive annual data become available.

In addition, the governments of the IEA Member countries submit each month preliminary data to the IEA Secretariat for the three months centred on the month of submission. These figures cover crude oil production, crude oil and product imports, stocks and net supply of oil. The reports are less detailed and are based on data received by Member governments from oil companies.

The statistical material received by the Secretariat is supplemented by a variety of other sources, including industry contacts and the trade press. In addition, the Secretariat projects the world oil demand and non-OPEC supply for the time period shown in Table 1.

Price Data

Monthly average CIF crude import prices are submitted every month by IEA Member countries. Data are averaged for the total IEA Member countries using the quantity of crude imports for individual countries by weight. The spot crude and product price assessments are based on daily Platt's prices, converted where appropriate to US Dollars per barrel according to the Platt's specification of products. Graphs in the text are of daily price data, while tables in the text and Table 7 show arithmetic averages by weeks, months, quarters and years. Gross product worth and refining margins are derived from spot crude and product prices, using the Secretariat's own estimates of refinery yields, freight and other costs. End-user prices are mid-month prices submitted monthly by OECD countries. The prices are net of any rebates and usually include transportation costs to the consumer. They include all taxes to be paid by the consumer which are not refundable.

Use of Data

The data used in the report are taken from sources considered by the Secretariat to be reliable, but are inevitably of variable quality. They should therefore always be used with caution, and as indicative of *broad trends* rather than as a numerically accurate description of the world oil markets at any particular moment. In particular:

Data up to the end of last month

OECD country data

The most recent month of official statistics available from national administrations is generally the latest shown in Tables 2 and 2A. Figures beyond that period are based on the preliminary data and estimates submitted by the Member countries and are provisional and subject to revision.

Other demand and supply data

Data for non-OECD oil supply and demand are not formally reported in questionnaire format but are based on published reports by some of the respective governments and other international organisations and contain some estimates by the Secretariat. There is consequently a greater margin for error, even for past periods. Demand figures for the former USSR and China are for "apparent demand"; that is production less net oil exports. As such, they include changes in stocks, losses and volumetric gains in the refinery process.

Stocks and stock changes

Figures for stocks on land in IEA/OECD countries, including government-controlled stocks, are based primarily on reports from Member governments. Both preliminary and historical data are, however, subject to revision.

Forward projections

Forward projections of demand and non-OPEC supply are given as a guide to the overall state of the oil market. By definition they are subject to any changes in the assumptions on which they are based.