

4 February 1994

HIGHLIGHTS

- OECD demand in 4Q93 is now estimated to have been 39.9 mb/d following upward revisions to US demand in November and unexpectedly strong deliveries in Japan in December. An abnormally cold four-week period in the main oil-consuming regions of the US from late December raised demand for oil, mainly heating oil and fuel oil, by about 0.5 mb/d and has prompted an upward revision of 0.1 mb/d in projected OECD demand in 1Q94 to 40.2 mb/d. In contrast, European deliveries in the first weeks of the year are reported to have been relatively weak due to mild weather and some build-up in secondary/tertiary stocks in late 4Q93.
- OPEC production in January appears to have remained in the 24.7-24.8 mb/d range for the third consecutive month, with production in most major OPEC countries essentially unchanged. Total non-OPEC supply, outside of the Former Soviet Union (FSU), is estimated to have been up slightly in November and is thought to have increased by a smaller amount in December and January as bad weather in the North Sea constrained supply. For the full year 1993, OECD crude oil production increased slightly and most non-OPEC areas are estimated to have registered production gains. Production of NGLs and non-conventional oils also appears to have increased in 1993.
- In developments reminiscent of January/February 1992, FSU oil exports collapsed in early January due to administrative delays in issuing new export licences for 1994 and the introduction of new customs regulations at a time of peak domestic Russian oil use. Seaborne exports of Russian Urals crude were particularly badly hit but pipeline deliveries to customers in central Europe were also interrupted. Seaborne exports in the first half of January were less than 0.5 mb/d compared to 1.2 mb/d in December but had begun to improve by the last week of the month. FSU oil exports in 1993 are estimated to have risen 0.1 mb/d to more than 2.2 mb/d (114 million tons) with crude exports increasing 0.2 mb/d to 1.65 mb/d.
- Preliminary estimates indicate a significant decline in OECD industry stocks during December totalling 1.7 mb/d with decreases of 1.0 mb/d, 0.5 mb/d and 0.2 mb/d in the Pacific, North America and Europe respectively. However, total industry stocks at the end of 1993 were 326 mt, 5.6 mt higher than a year earlier. Gasoline stocks in North America and Europe continued to be above year-earlier levels while European distillate stocks were 5 per cent lower. Crude oil stocks in North America were high compared with end of 1992 levels while Japanese stocks were significantly above the minimum requirements for strategic purposes.
- US prices of low sulphur fuel oil, kerosene and gasoil increased significantly during January in response to the surge in North American demand. These increases, coupled with the sharp reduction in Russian exports, led to a steep recovery in crude prices, with the spot price of Brent on 1 February \$2.50/bbl above the end-December low. The product-led increase in North American oil prices resulted in a rapid recovery in US refining margins in the first half of January. In Europe, product prices increased only slightly leading to both a decrease in refining margins and a reversal of the transatlantic distillate flows from the eastward movements occurring in December.
- China emerged in 1993 as the main source of incremental oil demand growth in the Asia-Pacific region as demand growth slowed in several neighbouring countries. The rate of growth of apparent demand accelerated to more than 9 per cent as China became a net importer of oil on an annual basis for the first time since the 1960s. Apparent demand increased 0.2 mb/d to 2.94 mb/d with imported products meeting most of the incremental demand.

DEMAND

OECD

Demand in 4Q93 has been revised up 0.1 mb/d in both North America and the OECD Pacific due to a major upward revision of 0.5 mb/d in official estimates of US demand in November and, according to preliminary MITI data, unexpectedly buoyant inland deliveries in Japan in December. OECD demand in the fourth quarter is now estimated to have been 39.9 mb/d, marginally *above* the average level in 4Q92. In view of the longer time lag involved in gathering complete data for the nineteen European countries, estimated 4Q93 demand in Europe is unchanged at 38.8 mb/d but provisional data for the main four consuming countries point to a possible upward sensitivity once more reliable data become available.

Preliminary Inland Deliveries¹ December 1993

(million barrels per day)

	Motor Gasoline		Gasoil		Residual Fuel Oil		Total Products ²	
	mb/d	% change	mb/d	% change	mb/d	% change	mb/d	% change
USA ³	7.65	+1.2	3.42	+3.1	1.04	-20.9	17.72	-2.1
Canada	0.59	+2.8	0.42	+4.2	0.12	-25.9	1.38	-1.2
Japan	0.93	+5.5	1.35	+1.4	0.70	-12.2	5.83	-0.5
France	0.37	-7.9	0.88	+2.2	0.12	-1.7	1.86	-1.1
Germany	0.77	+1.8	1.43	+13.2	0.14	-13.5	2.85	+6.1
Italy	0.39	+0.4	0.59	+3.8	0.46	-6.2	1.89	+0.6
UK	0.51	-9.2	0.39	-4.4	0.24	+6.2	1.61	-2.3
European Four	2.04	-3.3	3.30	+6.1	0.96	-4.2	8.21	+1.3
Total	11.21	+0.8	8.49	+4.0	2.82	-13.9	33.14	-0.9

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

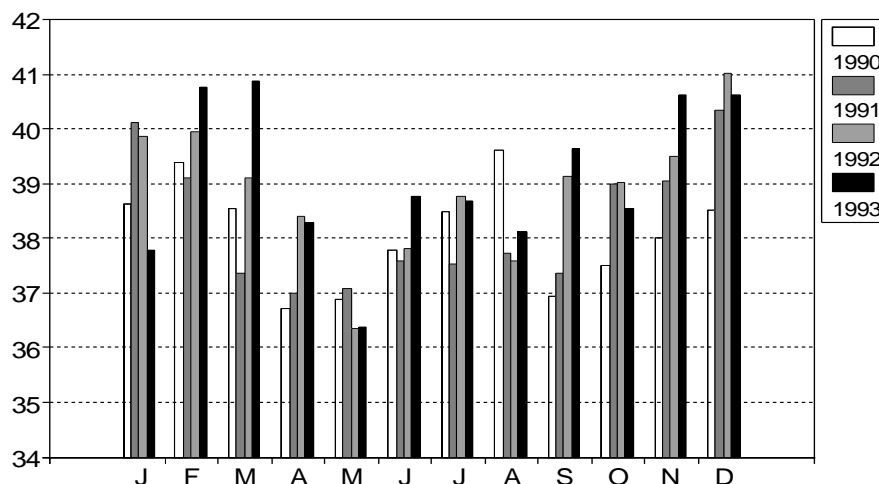
³ 50 states only

Percentage change is calculated versus November 1992

Provisional data for December deliveries in the seven major OECD countries, which together account for 85 per cent of total OECD demand, indicate a year-on-year fall of 0.9 per cent in total deliveries (see table above). Once again provisional data show a large volumetric and percentage decline in fuel oil deliveries in the US, Europe and Japan. Although such data have correctly identified the further erosion of the market for fuel oil in 1993, especially in Japan, they tend to exaggerate the extent of the decline due to the exclusion of bunker deliveries (except in the US) and the recent understatement of US fuel oil deliveries in preliminary estimates. Total OECD demand is expected to have been 40.6 mb/d in both November and December, implying a large overall drawdown in primary stocks in 4Q93 than previously estimated.

OECD Oil Demand

(million barrels per day)



The continuation of exceptionally cold temperatures in the eastern US states and parts of Canada into late-January is believed to have raised oil deliveries by about 0.5 mb/d over a four-week period. North American demand in 1Q94 has been revised upward 0.1 mb/d to 19.5 mb/d to reflect this. By contrast, European industry sources point to a significant drop in overall demand in January, compared to December when demand was sustained by a build in secondary stocks and consumer buying in Germany in advance of tax increases on transport fuels. Furthermore, temperatures in continental western Europe in were above normal in January. Any future upward revision to 4Q93 demand in Europe may therefore be accompanied by a corresponding downward revision to 1Q94 estimates, even if the fall in deliveries between December and January does not match the exceptional drop of 1 mb/d observed in between December 1992 and January 1993.

United States

Exceptionally cold temperatures in the north-eastern states and in the mid-continent in the last week of December and the first three weeks of January are estimated to have raised US oil demand by more than 0.5 mb/d above seasonally normal levels, giving an upward impetus to product prices throughout the Atlantic Basin. Most of the incremental demand reported in the DOE/EIA's weekly data for the four-week period to 21 January was, as expected, for heating oil (distillate) but demand for residual fuel oil, kerosene (for blending into heating oil to improve cold flow properties) and propane are also expected to show a significant rise once final monthly data are available. Primary stocks of crude and products were drawn by more than 1.3 mb/d over the four-week period. Utility demand for oil products, primarily fuel oil, picked up strongly in the first half of January as electricity demand reached record levels in some eastern states and interruptible supplies of natural gas were diverted to priority customers. In the second week of January, there were, very unusually, local interruptions of electricity supplies or "brownouts" in some eastern states as peak demand exceeded available capacity.

Although the weather in the main oil-consuming region in the north-east was as abnormally cold as in December 1989, early indications are that oil demand in January, as measured by deliveries, did not increase as much as in December 1989. DOE/EIA estimates for the first three weeks of January put demand in the 50 states at 17.9 mb/d, compared to 18.9 mb/d in the month of December 1989, albeit from a slightly lower level of underlying demand. Residual fuel oil deliveries rose sharply to 1.9 mb/d in December 1989 but are expected to have risen much less in January 1994 to no more than about 1.3 mb/d. The decline since 1989 in east coast utilities' use of residual fuel oil, increased natural gas deliverability from both domestic and Canadian sources and structural changes in the electricity generation industry may have combined to reduce the weather-sensitivity of demand for oil, and in particular residual fuel oil, in recent years. However, the more important difference between December 1989 and January 1994 is that refinery operations continued without significant disruption in the more recent cold spell. There were reported to be local problems with the distribution of products, in particular with waterborne deliveries to some east-coast utilities. However, ex-refinery product supply was not affected by the cold weather, unlike December 1989, and therefore the increase in consumer demand and the run-up in product prices was less severe than four years earlier. A possible continuation of the cold weather into February would obviously place an additional demand on product stocks at a time when a number of US refineries are schedule to begin turnarounds.

US demand in 4Q93 has been revised upward by 0.1 mb/d since the last *Oil Market Report* following publication by the EIA/DOE of November monthly data showing deliveries in the 50 states of 17.7 mb/d; the earlier official estimates based on weekly data had been 17.2 mb/d. 4Q93 demand in the 50 states is now officially put at 17.55 mb/d, a marginal decline compared to 4Q92 despite the strengthening of the economic recovery to an annual rate of 5.9 per cent and the relatively strong showing (+1.7 per cent) of gasoline deliveries in the last three months of the year. This surprising weakness may be attributable to the milder-than-normal weather in the main oil-consuming region of the north-east between the beginning of the heating season in September/October and the onset of very cold weather in late December.

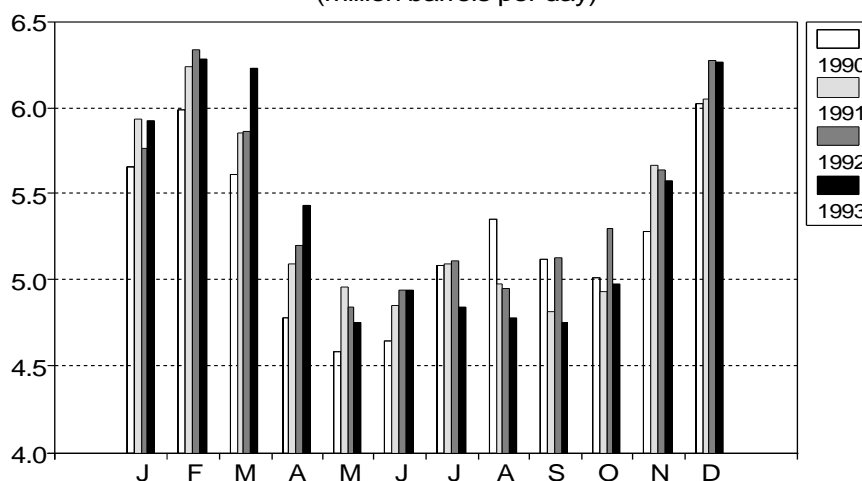
Europe

December data for the four main European economies (Germany, France, UK and Italy) indicate a fall of about 0.2 mb/d from the previous month as the rise in average monthly temperatures eased the pressure on demand. German inland deliveries were little changed at 2.85 mb/d in December after a relatively strong month in November. Automotive diesel deliveries recorded an exceptional year-on-year increase of 15 per cent to 0.55 mb/d in advance of the tax increase on 1 January. However, according to provisional MWV data, gasoline deliveries did not rise as much as expected, recording only a modest year-on-year 1.8 per cent increase.

Japan

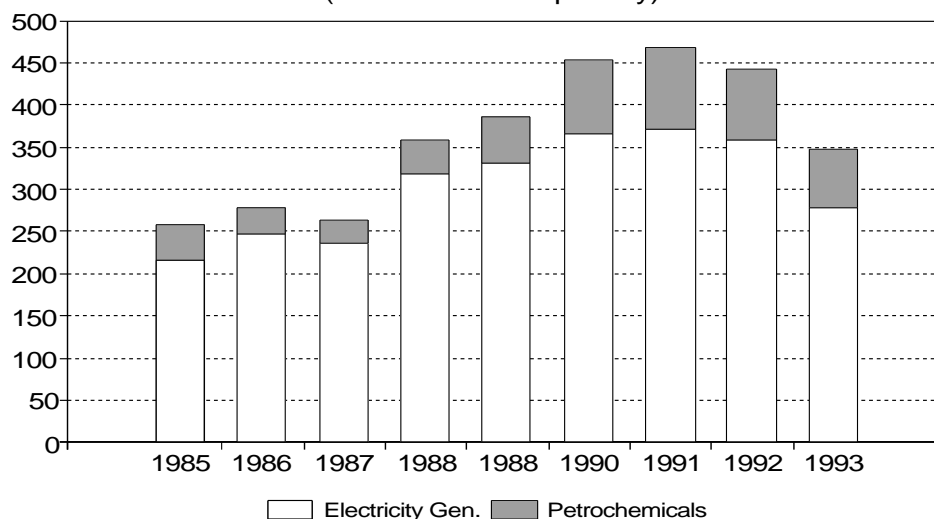
Japanese oil demand in December exceeded earlier expectations based on the observed slowdown in 1993 in the rate of electricity demand growth and the continued weakness of industrial output (-4.5 per cent in 1993). MITI's preliminary data for December, in fact, show only a marginal decline in inland *product* deliveries. Gasoline in particular showed unexpected strength, rising 5.5 per cent to 0.93 mb/d, the record consecutive month of deliveries well above the underlying increase of about 2 per cent per annum. Total demand (including direct crude use, refinery fuel and bunkers) is now estimated to have been about 6.25 mb/d, little changed from December the previous year, as the graph below shows. Electricity demand was also relatively strong in December, rising 2.3 per cent compared to an annual rise for the year as a whole of only 0.3 per cent.

Japanese Oil Demand 1990-93
(million barrels per day)



Crude oil (including light field condensates) is consumed directly in Japan as a fuel by the major utilities and also as a feedstock in the petrochemical sector. There was a sharp drop in direct (non-refining) use of crude oil in Japan in 1993 to the lowest level since 1987 as a result of lower use in both sectors, particularly in electricity generation (see graph below). Direct use of low sulphur crude by utilities rose to a peak of 360-370 kb/d in the years 1990-1992 driven by stringent SO₂ and NO_x emissions standards in major urban areas and a series of unusually hot, dry summers which raised electricity demand and reduced hydro availability. As discussed in the last *Oil Market Report*, a drop in 3Q93 electricity demand

Japanese Direct Crude Use 1985-1993
(thousand barrels per day)

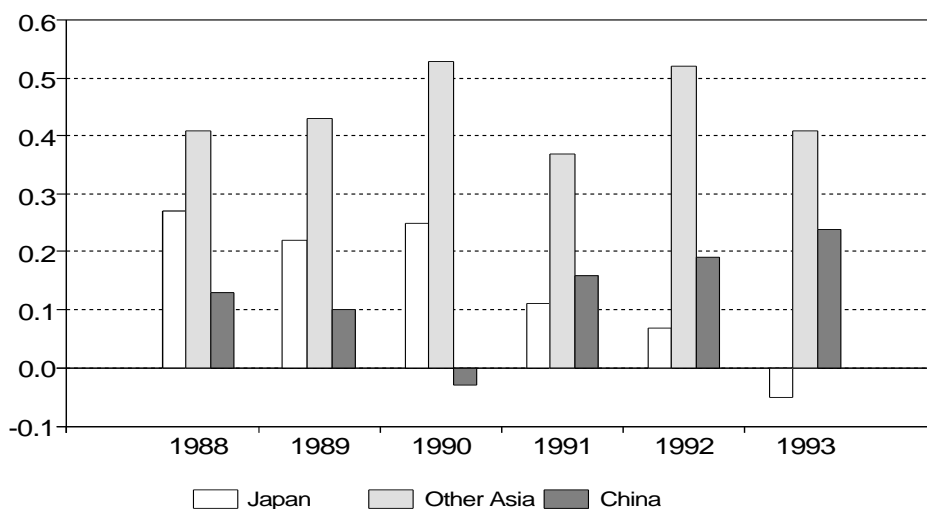


and increased hydro and nuclear availability severely cut crude burning between July and October. Over the year as a whole, direct crude use by utilities fell 22 per cent to 278 kb/d; residual fuel oil burning also suffered a comparable decline. By December, utilities' direct use of crude had recovered gradually to 267 kb/d and a further modest increase is expected in 1Q94 in line with the seasonal peak in electricity demand. This modest recovery in utility demand for low sulphur crude and fuel oil has been reflected since December in renewed buying of burning crudes such as Indonesian Minas and Cinta as well as LSWR.

Non-OECD Asia

- Oil demand in non-OECD Asia (*including* China) increased by an estimated 0.65 mb/d or 7 per cent, in 1993, confirming the region's role since 1990 as the main source of incremental world oil demand (see table below).
- Outside China, there appears from preliminary demand data to have been a discernable slowdown in the rate of demand growth to 6-7 per cent per annum compared to an average of 9 per cent over the period 1987-1992. Incremental demand in 1993 amounted to about 0.4 mb/d, compared to 0.5 mb/d in 1992, bringing demand for the year to 6.8 mb/d. India, Korea and Taiwan, three of the four largest consuming countries in the region, all recorded a lower rate of demand growth in 1993 than in 1992.
- The explanation of this slowdown in 1993 lies primarily in the reduced rate of growth in demand for petrochemical feedstocks and a decline in fuel oil use in power generation in Korea and Taiwan related both to increased penetration of alternative fossil fuels and the cool wet weather in 3Q93.
- Incremental regional demand has been met mainly by higher crude oil imports from the Middle East and, to a lesser extent, increased product imports from the Middle East, the US and Europe. Incremental demand in both China and India was met largely by product imports, not increased crude imports and domestic refinery throughputs.
- The countries (excluding China) in which oil demand grew most strongly were Thailand (12 per cent), Philippines (10 per cent) and Vietnam (from a much lower base of about 80 k/bd in 1992).
- Diesel and jet/kerosene fuel demand continue to be the main motors of regional demand growth. The indications of slower growth in demand for residual fuel oil in 1993 are thought to be related to the weakening of industrial output growth in some export-oriented sectors and reduced use of oil in electricity generation, especially in 3Q93.
- Chinese demand growth, discussed in more detail below, showed no signs of abating in 1993 despite attempts to cool the domestic economy in mid-year. Indeed, apparent demand (production plus net imports) grew faster in 1993 at about 9 per cent than in any year in recent history. Apparent demand averaged an estimated 2.94 mb/d last year as China emerged as a net importer of oil for the first time since the 1960s.
- The tightening of environmental fuel qualities, notably gasoline lead phasedown and lower sulphur levels in residual fuel oil and diesel fuel in several of the larger Asian countries, has led more regional refiners to trade actively in the international market to meet inland demand. There were also signs of greater competition among regional refiners for outlets for high sulphur fuel oil, notably in the bunker market, as they strive to keep pace with the rapid lightening of the demand barrel and tighter sulphur specifications in inland markets.

Incremental Asian Oil Demand 1988-1993
(million barrels per day)



Non-OECD Asian Oil Demand 1989-1993

(million barrels per day)

	1989	1990	1991	1992 (est)	1993 (est)	Annual % change	
						1987-92 (average)	1992-93 (est)
India	1.17	1.22	1.23	1.29	1.32	+5.0	+2.3
Indonesia	0.57	0.62	0.68	0.73	0.78	+7.9	+7.0
Malaysia	0.23	0.27	0.28	0.29	0.31	+7.8	+5.2
Philippines	0.22	0.23	0.23	0.26	0.29	+9.6	+9.9
Singapore	0.37	0.41	0.45	0.45	0.46	+7.4	+2.0
South Korea	0.88	1.07	1.29	1.55	1.69	+19.1	+9.0
Taiwan	0.52	0.56	0.56	0.58	0.61	+7.2	+5.3
Thailand	0.35	0.42	0.45	0.49	0.55	+13.8	+12.0
Others	0.64	0.70	0.70	0.74	0.78	+4.2	+5.4
	4.96	5.49	5.86	6.38	6.79	+9.1	+6.3
China	2.35	2.31	2.47	2.69	2.94	+4.9	+9.3
Total	7.31	7.80	8.33	9.07	9.73	+7.8	+7.3

Demand comprises inland deliveries, international bunkers and refinery fuel.

Figures for China are apparent not reported demand based on production and trade data.

The table above summarises current IEA estimates of regional demand (including refinery fuel and bunkers) in the period 1989-1993. Demand figures for India and Taiwan in the years up to 1991 have been revised marginally upwards since the publication of the IEA's "Energy Statistics and Balances in Non-OECD Countries" in August 1993. Annual estimates for most countries for 1992 and 1993 are preliminary; those for 1993 are generally based on monthly or quarterly figures from government or industry sources for inland demand only and therefore incorporate IEA estimates for bunkers and refinery fuel. Estimates for those countries such as Singapore and Hong Kong with significant entrepot or re-export activity are subject to considerable revision.

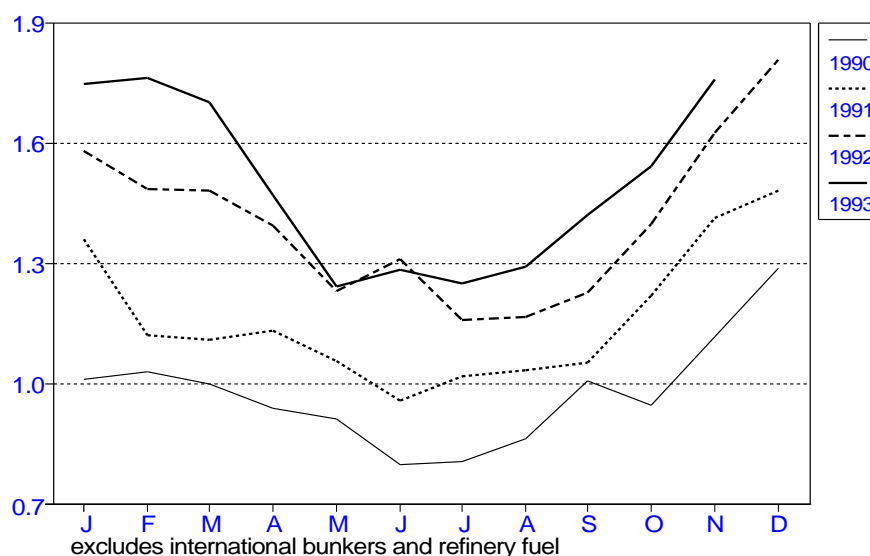
Korea

Demand growth in Korea of more than 20 per cent per annum in the period 1990-92 made the country by far the largest oil-consuming country in non-OECD Asia, excluding China. In 1993, the rate of demand growth slowed markedly to an estimated 9 per cent, adding 140 kb/d to domestic demand compared to 260 kb/d in 1992. The main reasons for this smaller increase in 1993 were, firstly, the slower growth of demand (+6 per cent) in the industrial sector (including petrochemicals) which accounts for more than 40 per cent of total demand and, secondly, a year-on-year *decline* in fuel oil use in electric power generation. As in neighbouring Japan, oil's share in power generation fell sharply in 1993, mainly as a result of higher operating rates at nuclear plants and increased penetration of imported LNG. Inland residual fuel oil deliveries still showed a modest annual increase of 4 per cent to an estimated 400 kb/d but the continuing rapid growth of transport fuels (+16 per cent) is placing an increasing value on outlets for high-sulphur fuel oil.

The exceptionally rapid growth of Korean oil use in 1990-92 owed much to the commissioning of new petrochemicals capacity designed to run mainly naphtha feedstocks. Between 1989 and 1992, naphtha demand almost tripled, rising from 94 kb/d to 265 kb/d or almost one-fifth of inland demand. In the absence of significant capacity expansion in 1993, naphtha demand increased 11 per cent or 25 kb/d but the growing regional oversupply of bulk petrochemicals and a contraction of export opportunities may prevent a repeat of even this more modest increase in 1994.

On 1 January 1994, the Korean government raised excise taxes on gasoline and diesel and introduced a "special excise tax" on kerosene and LNG. However, the effect on domestic consumer prices was minimal since controlled ex-refinery prices were reduced by a comparable amount. From 15 February, all domestic product prices will be adjusted monthly according to changes in international crude oil prices and exchange rates, as a first step toward price liberalisation. The expected effect of this partial de-control will be to widen the amplitude of monthly fluctuations of inland deliveries. Official sources expect a further slowdown in the rate of oil demand growth in 1994.

Korean Oil Demand Jan 1991 - Nov 1993 (million barrels per day)



Thailand

In Thailand, imported oil continues to be the country's main marginal energy source. Based on figures for the first eleven months, oil demand in Thailand increased 12 per cent in 1993 to an estimated 550 kb/d, considerably above the rate of GDP growth estimated at 7.9 per cent. According to the Petroleum Authority of Thailand (PTT), the state marketing agency, inland deliveries of the main fuel products rose 12.1 per cent from 462 mb/d in 1992 to 518 kb/d last year. Diesel use increased more than 17 per cent to an estimated 206 kb/d and now accounts for no less than 40 per cent of inland demand. Domestic refineries supply approximately two-thirds of the inland market and import of products, mainly diesel and fuel oil, the remaining third.

The expected move by the Electricity Generation Authority to reduce the sulphur content of its fuel oil from 3-3.5 per cent weight to 2 per cent before July is already being reflected in the shift towards the import in 1Q94 of lower sulphur Middle East crude grades such as Oman and the recent purchase by PTT of 2 per cent sulphur fuel oil for February delivery in addition to high sulphur cargoes. The maximum permitted sulphur content of diesel was reduced from 1 per cent to 0.5 per cent in 1993.

Taiwan

Taiwanese demand is estimated to have exceeded 600 kb/d in 1993 rising an estimated 5 per cent after a year of stagnation in 1992. As in neighbouring countries, the evolution of oil demand has been influenced strongly in recent years by the commissioning of new petrochemical plants, in particular ethylene manufacturing capacity, and the associated sharp rise in (non-energy) use of naphtha feedstocks. In 1993, naphtha use is estimated to have stabilised at about 60 kb/d since annual ethylene production by the Chinese Petroleum Corporation (CPC) is reported to have been little changed at about 730 kt. However, the commissioning in February 1994 of a new naphtha cracker with capacity of 400 ktpa is expected to raise feedstock demand by up to 30 kb/d in 1994, to be supplied either from CPC's own refinery at Kaosiung or from imports.

India

In India, monthly figures from the state corporation ONGC indicate a near-stagnation of inland deliveries in 1H 1993 but a stronger third quarter with growth of 5 per cent compared to 3Q92. Gas oil (diesel) demand, which accounted for more than 40 per cent of inland deliveries, continued to grow strongly, at about 3 per cent per annum, but residual fuel oil use actually fell in the first nine months. Assuming a 5 per cent year-on-year increase in 4Q93, total Indian demand (including refinery fuel and bunkers) is expected to have reached 1.32 mb/d last year.

China

According to preliminary official statistics, apparent oil demand in China increased more than 9 per cent in volumetric terms from 2.69 mb/d in 1992 to an estimated 2.94 mb/d in 1993. It should be stressed that,

in the absence of reliable, comprehensive statistics on oil demand in China, the annual demand figures reproduced in Table 1 are estimates of *apparent* demand (oil production plus net exports) *not* observed inland deliveries, refinery fuel and bunkers. As such, demand figures reflect inaccuracies in trade reporting and incorporate changes in domestic primary oil stocks.

China's Oil Supply/Demand 1990-1993

(million barrels per day)

	1990	1991	1992	1993 (est)
Production	2.77	2.80	2.84	2.91
Exports				
Crude	0.48	0.45	0.43	0.37
Products	0.11	0.10	0.11	0.07
	0.59	0.55	0.54	0.45
Imports				
Crude	0.06	0.12	0.23	0.18
Products	0.06	0.09	0.16	0.29
	0.12	0.22	0.39	0.48
Net Exports/(Imports)	0.47	0.33	0.15	(0.03)
Apparent Demand	2.31	2.47	2.69	2.94

* estimated

The Chinese economy grew 13 per cent in 1993 with little slowdown evident in the second half of the year despite counter-inflationary measures taken in mid-year to engineer a "soft landing". The accompanying growth in oil demand from private sector consumers, notably in the southern provinces, was met largely by imports of products acquired by the state trading agencies such as Sinochem on behalf of holders of import licences. From an average level of 160 kb/d in 1992, product imports surged to an estimated 300 kb/d in 1993, surpassing crude imports which declined to 180 kb/d. The announcement of the introduction of a new value added tax of 17 per cent on imported goods to take effect on 1 January 1994 gave added impetus to product imports in November and December by companies already anxious to fully utilise 1993 import licences and to take advantage of low international prices, especially for gasoline. By early January, port congestion and discharging delays had apparently reached new proportions. A significant decline in Chinese oil imports from the level of 500-600 kb/d seen in 4Q93 is expected in 1Q94 in view of the high end-year socks apparent at most coastal locations.

SUPPLY

OPEC crude oil production appears to have remained between 24.6-24.9 mb/d in December and January, the same range that characterised the previous five months, and is estimated to have averaged 24.7 mb/d for the full year 1993. Non-OPEC production excluding FSU production is estimated to have reached 33.7 mb/d in November, up 0.3 mb/d from October. Preliminary data indicate only about half as large a gain in December, as North Sea storms affected Norwegian production from offshore fields. In January, non-OPEC production is estimated to have been down slightly from December's level of 33.8 mb/d.

Production in high cost, low production areas has seen only some small signs of the impact of the price weakness that characterised the last six weeks of 1993. The degree and duration of the supply response is uncertain and will be affected by the extent to which short term oil price developments are influencing producers' assumptions on longer term price trajectories. The anecdotal evidence to date indicates a relatively limited impact concentrated in the small producer sector of the United States market.

Non-OPEC Oil Supply

(million barrels per day)

	1990	1991	1992	1Q93	2Q93	3Q93	4Q93*	1993*
<i>Non-OPEC Crude Oil</i>								
United States	7.36	7.42	7.17	6.98	6.83	6.70	6.82	6.83
Canada	1.34	1.32	1.36	1.39	1.41	1.47	1.46	1.43
North Sea	3.59	3.78	4.08	4.16	4.10	4.38	4.90	4.38
Other OECD	1.02	1.05	1.03	0.96	0.99	0.98	0.95	0.97
Total OECD	13.31	13.56	13.64	13.49	13.32	13.53	14.12	13.62
Latin America	4.74	4.84	4.93	4.91	4.99	4.98	5.14	5.01
Asia (incl. China)	4.38	4.44	4.54	4.59	4.58	4.59	4.61	4.59
Africa	1.80	1.82	1.87	1.87	1.86	1.83	1.89	1.86
Other Middle East	1.31	1.41	1.48	1.55	1.55	1.61	1.73	1.61
Central and East Europe	0.30	0.26	0.25	0.25	0.25	0.25	0.25	0.25
Total Non-OECD (ex. FSU)	12.51	12.77	13.06	13.17	13.24	13.26	13.61	13.32
Russia	10.12	9.02	7.70	7.00	6.80	6.49	6.31	6.65
Other Republics	0.93	0.92	0.88	0.81	0.81	0.80	0.80	0.80
Total FSU	11.05	9.94	8.58	7.80	7.61	7.29	7.11	7.45
<i>NGLs & Other</i>								
United States	1.64	1.75	1.83	2.00	1.96	1.95	2.04	1.99
Canada	0.62	0.66	0.70	0.70	0.72	0.78	0.81	0.75
North Sea	0.22	0.24	0.26	0.30	0.26	0.28	0.35	0.30
Russia	0.24	0.24	0.22	0.22	0.21	0.20	0.20	0.21
Other Non-OPEC	1.30	1.35	1.33	1.38	1.39	1.39	1.41	1.39
Total NGLs & Other	4.02	4.24	4.34	4.59	4.54	4.59	4.81	4.63
<i>Processing Gains</i>	1.35	1.35	1.45	1.45	1.45	1.45	1.45	1.45
Total Non-OPEC Supply	42.24	41.85	41.07	40.50	40.16	40.12	41.10	40.47

*estimated

Following the initiative undertaken late last year by Omani Oil Minister Shanfari, Oman and Yemen announced cuts of 5 per cent, but the degree to which the latter has been implemented is unclear. Egypt and Malaysia advised that they would hold to stated production levels that appeared to be somewhat below most estimates of recent production. Syria, Brunei and Russia each is reported to have made supportive statements, but do not appear to have made any changes in production policy.

Natural phenomena have had a more direct effect on oil supply. December and January North Sea output were below capacity due to a sequence of storms. Storms are a chronic factor in the North Sea and weather disruptions last January were even larger than this year's experience. Storms in the Black Sea likewise hampered loading of Russian oil in November and again in January. The East Coast of the US experienced supply problems due primarily to frozen rivers. The Los Angeles earthquake caused damage to a couple of oil pipelines, as well as motivating precautionary shutdowns of several refineries and other oil and gas pipelines in the area.

Political factors often have an impact on oil supply. At least ten significant producing countries are under some degree of threat to supply. Although only Colombia and Angola have experienced recent production losses, Algeria, the Congo, Egypt, Nigeria, and Yemen are subject to significant political uncertainties that could affect future oil supplies.

Preliminary data for 1993 show relatively little year-on-year change in total OECD crude oil supply, but show substantial growth in other non-OPEC areas, other than the FSU. Non-OPEC Middle East crude output grew an estimated 130 kb/d, while Latin America and non-OPEC Asia (including China) registered output gains of 80 kb/d and 50 kb/d respectively. African crude oil production appears to have been down slightly. Production of NGLs and other non-conventional hydrocarbons were up substantially (270 kb/d, or about 7 per cent) with gains in all major areas other than the FSU.

More than offsetting these increases was a 1.13 mb/d drop in FSU crude oil production, 1.05 mb/d in Russia and 80 kb/d in the other republics. Reservoir engineering problems, delays in getting equipment and labour problems were compounded by growing difficulties in transporting the oil to market and more importantly getting paid for it. There is a great deal of uncertainty surrounding the physical state of the oil fields, but short-term production enhancement is expected to be constrained by the payment, supply of oil equipment and general political problems that have dominated the Russian scene for the last four years. Conditions in Russia have shown signs of significant deterioration in the last few months.

OECD

United States

Recently released government data show US crude oil production declining to 6.71 mb/d in September, but preliminary weekly data indicate sequential increases to 6.82 mb/d in October, 6.87 mb/d in November and 6.88 mb/d in December. The gains in the first two months were the result of expanding Alaskan crude oil production, whereas the December increase reflected new production from offshore California.

The onshore California market has seen some additional cutbacks in heavy oil production resulting primarily from the recent price weakness, but the 17 January earthquake is also hampering crude supply from central California to the Los Angeles refineries. However, the effect of the earthquake on Central California oil production is being moderated by use of storage and alternative transportation. Elsewhere in the US, there is little evidence of price-induced shut-ins of marginal US production. A wide range of estimates of the ultimate price impact have recently surfaced, all of which are highly dependent on the assumptions regarding the length and depth of the price weakness and their impact on the longer-term price expectations used for production decision-making. Restraining factors on the supply response are the high cost of abandonment and the interests of royalty holders which tend to sustain production beyond its strict economic margin.

Despite the gains during 4Q93 in Alaskan production, 1993 US crude oil production decreased by 320 kb/d versus a drop of 250 kb/d in 1992. Mature fields in the Lower 48 states are declining much more rapidly than new production can be added, as it becomes increasingly difficult to find what are invariably smaller and smaller fields in the intensively explored on-shore basins. Even with the benefits of significant cost reductions due to technological improvements, the relatively poor economics have led the major oil companies and some of the larger independents to look for oil overseas and have to concentrate their domestic efforts in gas-prone areas. The Gulf of Mexico and off-shore California probably represent the only major potential incremental supply areas in the Lower 48.

Canada

Total Canadian oil output declined by 22 kb/d to just under 2.24 mb/d between September and October, but preliminary estimates indicate a small monthly increase in November. While crude oil output declined in both months, NGL production recovered sharply in November after a small decrease in October. Output at Alberta's two synthetic crude plants followed the opposite pattern. Year-on-year growth of about 100 kb/d for each month was split about equally between crude oil and NGLs.

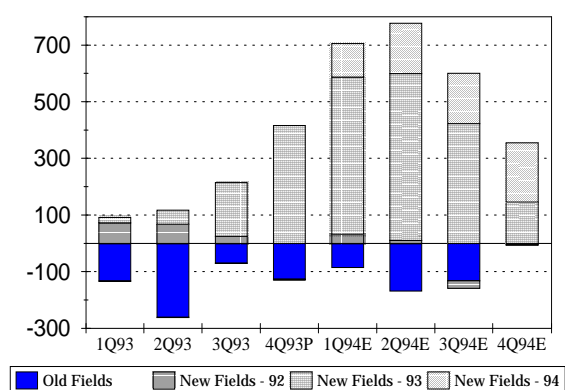
Canadian crude oil production was up an estimated 75 kb/d for the full year 1993 and NGL production is thought to have risen by about 50 kb/d due to higher wet natural gas production. Synthetic oil production increased modestly due to better operating performance. These gains in the synthetics performance are expected to continue, but it will likely be difficult to hold the increases in conventional crude oil production due to the maturity of the fields and an expectation of a reduced

level of drilling effort in 1994. The Alberta royalty holiday has ended and recent price weakness is expected to have an impact on capital expenditure plans. Nonetheless, the incremental production associated with the very high level of activity in 1993 is expected to have a favourable effect on 1994 production as well. In addition, supply logistics should improve this year with pipeline expansions and de-bottlenecking allowing some currently shut-in Alberta and Saskatchewan production to flow into the US Midwest. Canadian crude oil production is assumed to decrease by about 40 kb/d in 1994, but this is expected to be partially offset by 10 kb/d and 15 kb/d increases in NGLs and synthetic crude, respectively.

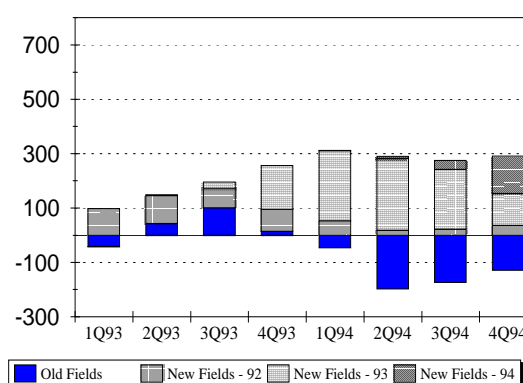
North Sea

North Sea oil output continues to expand rapidly, as oil fields brought on-stream in 1993 increased their production and new fields are added in both the UK and Norwegian sectors. The year-on-year increases from these fields are quite substantial, amounting to a combined 500 kb/d in 4Q93 and could top 800 kb/d this quarter. Small gains in Denmark and the Netherlands are also adding to the increase. The two graphs below disaggregate the year-on-year changes for the UK and Norway attributable to fields that started up in 1992 and 1993 and those that are projected to start-up in 1994. It is obvious that the 1993 fields are dominating the increases in both countries. It is also interesting to note that the increases in the UK and Norway are occurring despite declining production in pre-1992 fields. This is consistently true in all four quarters of 1993 and 1994 for the UK and for 1994 for Norway. The gains in the UK are projected to be about twice as large as those in Norway. Since the graphs depict year-on-year changes, the impact of the increases from the 1993 vintage fields clearly declines as the new fields become part of the prior year's production.

YEAR-ON-YEAR CHANGES - UK NORTH SEA
(000's B/D)



YEAR-ON-YEAR CHANGES - NORWAY
(000's b/d)



Data just released for December show a small month-on-month decrease of about 50 kb/d in **Norwegian** production, due to weather related reductions at Gullfaks, Statfjord and Snorre, a slightly smaller reduction than previously thought. Evidently, more of the lost loadings were able to be made up at the end of the month than had been expected. **UK** production was more than 100 kb/d above November's level, with half of the increase coming from the Scott field, which averaged an unexpectedly high 150 kb/d in December. Denmark and the Netherlands also saw large percentage increases in December, with **Denmark** reaching a record 193 kb/d, while the **Netherlands** offshore crude oil output exceeded 40 kb/d for the first time since 1991.

Australasia

Australian production for November averaged 458 kb/d, recovering about half of the decline that resulted from production problems in the Bass Straits in October. More recently, the Griffin field off Western Australia was brought on-stream on 16 January and, after some initial start up problems, production is moving upward toward an expected 80 kb/d peak this summer. January cargoes from Griffin are going to Japanese and Australian refiners, while at least one cargo next month is scheduled to go to the refinery in Hawaii.

OPEC

OPEC production is estimated to have been 24.77 mb/d in January essentially the same as the slightly revised 24.75 mb/d produced in December and 24.77 mb/d in November. Crude oil production from **Saudi Arabia** and **Kuwait**, including their Neutral Zone shares, have remained at about 8 mb/d and 2 mb/d, respectively. Adding in another 2.15 mb/d from the **UAE**, these three countries accounted for just under half of OPEC production. Production in all three countries has been quite stable over recent months. Aggregate crude oil output from other OPEC countries also appears to have stayed in a relatively narrow range but with some more volatility in the composition. **Libyan** production is estimated to have experienced month-on-month declines of 35 kb/d and 50 kb/d in December and January. Whether the declines are in part the result of UN sanctions restricting imports of oil industry equipment is unclear. Conversely, trading sources are observing increases in **Nigerian** production, despite the expected dislocations associated with the country's reshuffling of term contracts. Iranian production may also have been up in January. **Iranian** sources report higher exports levels, despite a 95 kb/d increase in domestic refinery capacity which was put to immediate use in mid-January.

Former Soviet Union (FSU)

Production

According to Goskomstat, Russia produced 6.46 mb/d (27.2 million tons) of crude and gas condensate in December, down from 6.54 mb/d (26.75 mt) in November. Output for the year based on reported *monthly* figures is estimated at 6.86 mb/d (341 mt), broadly in line with provisional estimates from Rosneft (339 mt) and Goskomstat (342 mt). Production in 1992 was 7.9 mb/d (395.8 mt). Figures for oil output in 1993 as high as 352-354 mt, based on Goskomstat or government sources, are believed to double count part or all the production by joint ventures between Russian producer associations and foreign companies. Joint ventures' production approximately doubled in 1993 rising from just over 100 kb/d in 1992 to a reported 210 kb/d (10.5 mt) last year.

Production of crude oil in the largest non-Russian producing republic, Kazakhstan, is reported to have declined to 0.39 mb/d (19.7 mt) in 1993, a fall of 6 per cent from the previous year. In 1992, Kazakhstan also produced about 90 kb/d of gas condensate, mainly from the Karachaganak field but more recent data are not currently available.

Exports

The sharp contraction in Russian seaborne exports since the beginning of the year served as a major support to oil prices in general, and European sour crude prices in particular, throughout the month of January. Liftings of crude and products from Black Sea and Baltic ports recovered slightly in December to an estimated 1.2 mb/d following the weather-related disruption in November which cut total liftings to 1.1 mb/d. Exports then collapsed in the first half of January due to delays during the Russian New Year holiday in the issue of new export licenses for 1994 by the Ministry of Foreign Economic Relations. By mid-January, only four or five Russian companies had had their licenses renewed and were able to ship crude and products to and from the main load ports. The delays were apparently exacerbated by two other factors; the new customs regulations and documentary requirements designed to control hard currency payments under export contracts and to prevent the illegal export of capital and, secondly, renewed political tension between Russian and the Ukraine over outstanding debts for oil deliveries which severely cut exports of crude and fuel oil from the Ukrainian port of Odessa in December and early January. Liftings are reported to have picked up in the third week of January but over the month are not expected to reach 1 mb/d. The administrative delays in January this year are reminiscent of those in January 1992 when seaborne exports fell to a recent historical low of 0.6 mb/d.

FSU Crude and Product Exports 1989-1993

(million barrels per day)

	1989	1990	1991	1992	1H 1993	2H 1993 ⁺	1993 ⁺
Crude							
OECD excl. E. Germany [*]	0.81	0.80	0.38	0.64	0.80	0.81	0.81
Eastern Germany (pipeline)	0.40	0.32	0.23	0.28	0.27	0.29	0.28
Central Europe (pipeline)	0.72	0.58	0.38	0.43	0.44	0.48	0.46
Other Non-OECD	0.37	0.30	0.20	0.10	0.11	0.10	0.10
Total Crude	2.30	1.99	1.20	1.46	1.62	1.68	1.65
Products[‡]							
OECD	0.84	0.87	0.84	0.61	0.53	0.57	0.55
Non-OECD	0.25	0.17	0.09	0.07	0.05	0.02	0.03
Total Products	1.10	1.04	0.93	0.68	0.58	0.59	0.59
Total Oil	3.40	3.03	2.13	2.14	2.21	2.26	2.24

⁺ preliminary estimates^{*} almost exclusively seaborne exports[‡] includes products destined for use as refinery feedstocks

Sources: OECD annual and monthly statistics, import data for main CEE countries and Soviet export data for other non-OECD destinations

Crude oil conversion factor: 7.30 bbl/mt

Other Non-OPEC*Latin America*

Latin American production continues to increase particularly in Colombia and Brazil. Mexican output gains during the early autumn held at least through November and production in Argentina and Ecuador remain near recent peak levels. Total Latin American oil production, including NGLs and Brazilian alcohol fuels, is estimated to have stood at 5.9 mb/d in November. With anticipated increases from all five major producers, production is expected to top 6 mb/d by the end of 1994.

Latin American Oil Production 1992-1994
(000's barrels per day)

Crude Oil	1992	3Q93	Oct93	Nov93	Dec93 [*]	4Q93 [*]	1993 [*]	1994 [*]
Mexico	2668	2666	2731	2730	2735	2732	2673	2738
Brazil	628	643	673	675	680	676	643	696
Argentina	542	587	600	595	595	597	579	598
Colombia	439	436	468	471	475	471	460	503
Ecuador	319	339	345	345	345	345	338	360
Peru	116	124	127	130	133	130	125	128
Trinidad	136	122	121	121	121	121	123	119
Other **	63	66	66	66	66	66	72	67
Total	4910	4984	5131	5133	5150	5138	5011	5208
NGLs								
Mexico	452	454	469	472	481	469	456	454
Other	97	90	90	90	90	95	93	100
Total	549	544	559	562	571	564	549	554
Brazilian Alcohol Fuels	200	207	205	205	205	205	207	200
Total Oil Supply	5659	5734	5895	5900	5926	5907	5767	5962

^{*} Estimated^{**} Bolivia, Cuba, Chile, Guatemala, Surinam, and Barbados

According to state oil company PEMEX's latest release, **Mexico** produced 2.73 mb/d of crude oil and 0.47 mb/d of NGLs in November, virtually the same levels as in October. The Olmeca export stream continued to grow (by 25 kb/d versus October) at the expense of Mayan and Isthmus exports (which declined by about 40 kb/d each). Exports of 1.34 mb/d were dominated by US destinations receiving over 1 mb/d for the second consecutive month, while European destinations saw an increase of 50 kb/d to 245 kb/d, a recovery of about half the drop seen in October.

Colombian crude oil production was reported by Ecopetrol to have been slightly over 470 kb/d in November about equal to October and September levels, but well above the 407 kb/d recorded in August. The rash of terrorist attacks around Christmas is estimated to have not had much impact on Colombian production from the Cravo Norte (Cano Limon) region. Cravo Norte accounts for over half of Colombian production and virtually all of Colombian exports. An increased tax on oil production, funding a larger security force to protect the pipeline, is expected to lead to fewer and less effective guerrilla attacks in 1994. Colombia's production is expected to average around 480 kb/d in the first quarter and slightly over 500 kb/d for full year.

Brazilian data for November showed a slight in crude oil output increase to 675 kb/d and is likely to have been up again in December to 680 kb/d due to the contribution of new fields in the offshore Campos Basin. A small leak at the Albacora field in mid-January is not thought to have had a serious effect on production. Brazilian production is projected to show a steady increase through 1994, ending the year at around 720 kb/d. The Brazilian government targets even higher production levels, averaging 720 kb/d for the year.

There is little new information available on the other two large non-OPEC producers, Argentina and Ecuador. Information has become very difficult to obtain from **Argentina** since the privatisation initiative, but there is some evidence of production increases to record levels of around 600 kb/d during the last three months of the year and production is assumed to hold that level through 1994. **Ecuador** is reported to have produced about 365 kb/d during January and may maintain these higher levels this year with additional oil from new fields offshore and in the Eastern jungle.

China

Chinese production is preliminarily estimated to have reached 2.9 mb/d (142 million tons) in 1993, substantially above plan and slightly higher than expectations. Small onshore and new offshore fields showed the largest gains versus China National Petroleum Company plans, exceeding targets by nearly one-third. Production was also up slightly and above target at Daqing and Liaohe. Although well below original expectations, production from the Tarim Basin and the two other producing areas of the far western Xinjiang province showed substantial improvement and is now expected to carry much of the burden of Chinese production expansion over the next few years.

Other Non-OPEC Asia

Malaysia and India are the two largest producers in Asia apart from China and OPEC member Indonesia, with about 550 kb/d each. Output from both countries appears to have declined in 1993, but these declines were more than offset by increases in Vietnam, Papua New Guinea and Brunei. The **Malaysian** production is likely to have been constrained more by weak demand for exports to the Asian market than by production problems or policy. Conversely, **India** is working to stem the decline in its oil production and hence slow the increase in imports required to meet growing domestic demand. Planned production increases from the offshore Bombay High area and the onshore Gujarat Basin are uncertain, recognising problems in reaching past production targets. Indian crude oil output was down an estimated 30 kb/d in 1993 and is forecast to remain at roughly the same level in 1994.

Africa

Contrary to the other major non-OPEC producing regions, African production is estimated to have been down slightly in 1993. Crude oil output is dominated by the two largest producers, Egypt and Angola, which account for roughly 75 per cent of African crude oil output. **Egypt** had been on a production plateau in the 850-900 kb/d range for the past few years and recent official statements indicating lower Egyptian production levels may be the result of production problems in older fields. The difficulties in **Angola** are more clear-cut. Guerrilla attacks on the Soyo area in northwestern Angola and threats to the Cabinda enclave have kept production at around 500 kb/d versus a capacity which is likely now to be in excess of 550 kb/d and 1992 production of 535 kb/d. Political turmoil is also retarding production and development in the **Congo**, where expected increases from the offshore Kitina Marine area have yet to materialise. Production is now assumed to remain at the 170 kb/d level for another year.

Other Middle East

Oman's announced five per cent production cut (40 kb/d) was implemented as of 1 January as a result of the initiative by Omani Oil Minister Shanfari. It appears that Oman intends to hold the cuts for the first quarter as companies were notified at the end of January that allocations for March would be pro-rated. **Yemen** also announced a five per cent cut, but it is unclear so far whether the cut applies only to Yemen's equity production, of roughly 170 kb/d, or to foreign company output as well. Producing companies in Yemen are continuing to expand output at CanOxy's Masila field and there is no evidence of reductions in company liftings at the Hunt/Exxon Marib complex.

OECD STOCKS

Preliminary estimates indicate that total industry stocks decreased by 1.7 mb/d during December. The greatest decline, totalling 1.0 mb/d, was in the Pacific region, while stocks in North America and Europe were reduced by 0.5 mb/d and 0.2 mb/d respectively. Total gasoline stocks were essentially unchanged while crude oil and distillate stocks both fell by 0.4 mb/d and fuel oil decreased by 0.2 mb/d. The largest fall in fuel oil stocks was in Europe, down 0.2 mb/d, while the greatest reduction in distillate inventories occurred in the Pacific region, 0.3 mb/d. The stockdraw in 4Q93 is now estimated at 0.5 mb/d with essentially no change to North American stock levels and declines of 0.5 mb/d and 0.1 mb/d in the Pacific and Europe respectively.

With total industry stocks falling more sharply than in December 1992, the increase in stocks compared with year earlier levels was reduced from 7.5 mt at the end of November to 5.6 mt at the end of the year. Gasoline stocks in North America and Europe were above previous year levels while European distillate stocks were 5 per cent lower. Crude oil stocks in North America were significantly above previous year levels and, although Japanese crude stocks were lower, as discussed below, they were significantly above the minimum level which has been set for the end of March 1994. Total stocks, including government-controlled stocks, are estimated to have been 474 mt at the end of the year, equivalent to 94 days of forward consumption with stocks in the Pacific, North America and Europe equivalent to 101, 94 and 91 days respectively (see Table 5).

In **North America**, the rate of increase in crude oil stock levels decreased to 0.1 mb/d in December consistent with lower US import volumes. At the end of the year, stocks were 40 mt, the highest end of year level since 1989. End-month gasoline stocks were higher for the fourth successive month as the seasonal stockbuild continued. The rate of increase however slowed from 0.4 mb/d in November to 0.1 mb/d in December reflecting lower US production and higher demand. The end of year gasoline inventory was over 1 mt (5 per cent) above the previous year's level. The seasonal build in distillate inventories which had been continuing since the end of March came to an end with inventories decreasing by 0.1 mb/d consistent with higher product demand. End of December stocks were 3 per cent higher than a year earlier. Fuel oil stocks declined marginally and ended the month close to end-December 1992 levels. Preliminary data from the US DOE indicate a 1.5 mb/d reduction in total US stocks in the first three weeks of total January reflecting the impact of the cold weather on demand and lower crude oil imports. Distillate stocks are estimated to have decreased by 0.9 mb/d, crude oil stocks by 0.6 mb/d and fuel oil stocks by 0.1 mb/d while gasoline stocks continued to rise, up by 0.3 mb/d.

European crude oil stocks fell only slightly in December and ended the year at 40.8 mt, close to levels of a year earlier. Gasoline stock levels were essentially unchanged during the month to end at 15.8 mt, 3 per cent higher than twelve months earlier. In contrast to the decreases in the other two regions, distillate stocks were essentially unchanged and at the end of the month were over 1 mt lower than a year earlier with the largest decrease occurring in Italy. The greatest change in product stocks was a reduction of 0.2 mb/d in fuel oil with the largest decline again taking place in Italy.

In the **Pacific** region, crude oil stocks decreased by 0.4 mb/d consistent with both higher refinery throughputs and somewhat higher imports. In contrast, government-controlled stocks in Japan continued to increase, rising by 0.1 mb/d. Comparing the end of December Japanese stock levels with the minimum for the end of March 1994 stipulated by MITI, government-controlled stocks had been built to 67 days of calendar year 1992 consumption, two days below the end of March minimum, while industry stocks were at 80 days, 10 days or 14 per cent above the minimum obligation for emergency purposes at the end of March. Gasoline stocks declined marginally and ended the month close to the level of a year earlier. Distillate stocks decreased by 0.3 mb/d reflecting seasonally higher demand and only slightly higher production. Since May 1993, distillate stocks have been following a similar seasonal pattern to 1992 albeit at a somewhat higher level. Fuel oil stocks declined marginally consistent with higher demand but at the end of the year they were still 8 per cent higher than a year earlier following the prolonged period of lower demand during 3Q93 and 4Q93.

Review of 1993 Oil Stock Developments

The graphs on page 18 show the differences between end-month stock levels in 1993 and 1992 for crude oil, gasoline, distillate and total oil for each of the three regions. Industry stocks are shown for North America and Europe, while total stocks are represented for the Pacific region in order to take into account the increase in government-controlled crude oil stocks at the expense of industry stocks which took place during 1993. It should be recognised that 1992 stock levels do not in any way represent a target level but they are judged a better benchmark than stock levels in either 1990 or 1991. In summary, the difference

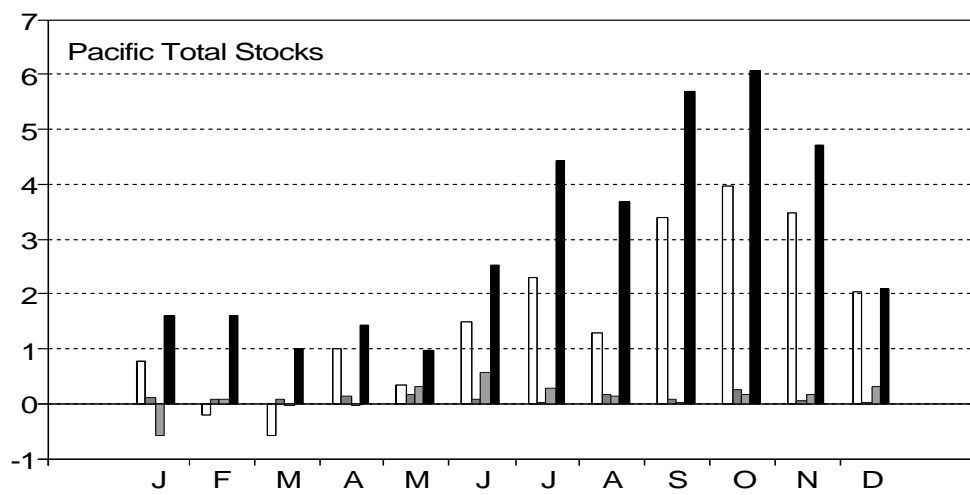
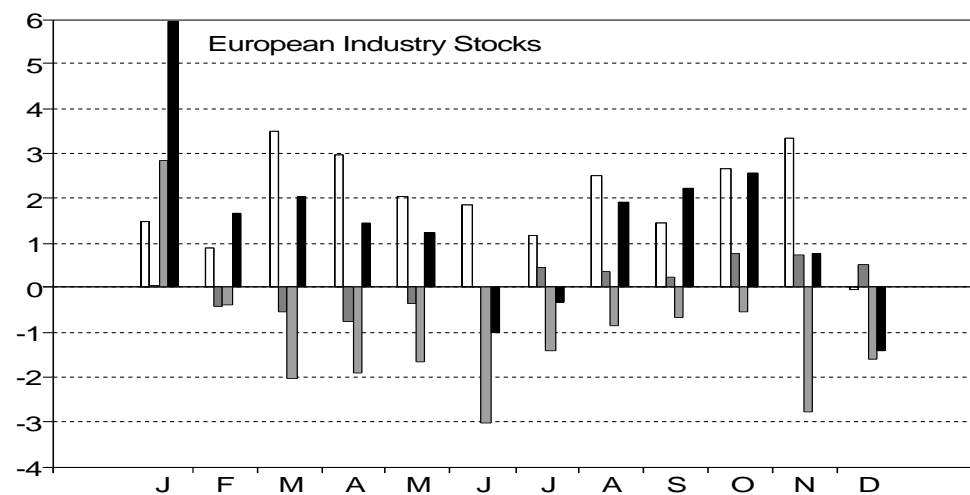
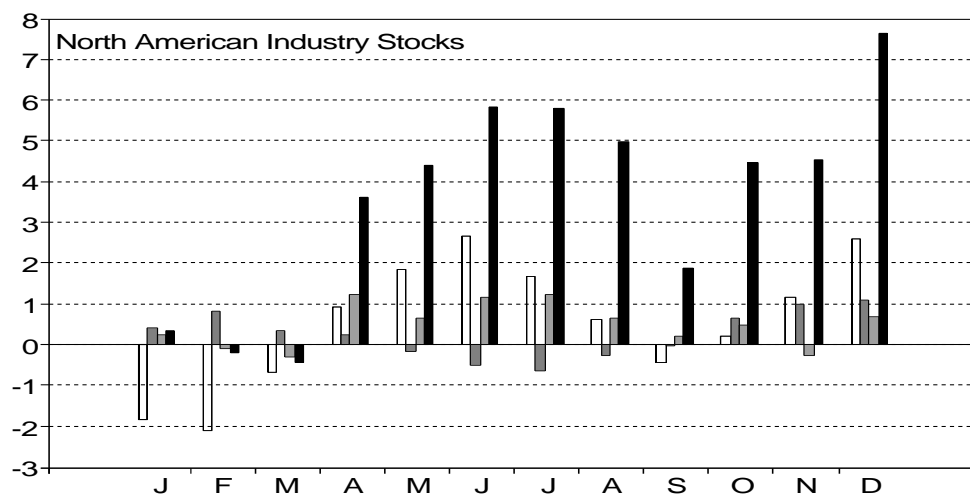
in aggregate end of month stocks for the three regions increased from the end of March to the end of October and then began to decrease.

It will be noted that total **North American** industry stocks were significantly higher throughout the last nine months of the year. The increase in crude oil stocks was greatest in the middle and end of the year. The seasonality of gasoline stocks was somewhat greater than the previous year with average stock levels only 1 per cent higher. The greatest increase from 1992 was in the NGL/feedstock/other hydrocarbon category, not shown in the graph, and this in part reflects the more complete reporting of oxygenates which began at the beginning of 1993. Annual average total industry stocks were 2.6 per cent higher compared with a 1.5 per cent increase in total oil demand.

Unlike the other two regions, **European** distillate stocks were lower than previous year levels for most of the year, averaging 3.4 per cent lower although it should be noted that 1992 end of month stock levels were, in general, higher than those in 1990 and 1991. End of month crude stocks were higher for the first eleven months of the year averaging 5.2 per cent up for the year. With only a marginal increase in average gasoline stocks, total stocks were 1.1 per cent higher on average compared with a 0.5 per cent decrease in total oil demand.

In the **Pacific** region, the increase in total crude oil stocks built to the highest point at the end of October before declining to average 3.0 per cent higher for the year as a whole. Although the increases in annual average gasoline and distillate stocks were small in volume terms, they represented 3.5 per cent and 1.4 per cent respectively. Fuel oil stocks were particularly high in the third quarter, consistent with low demand but the increase versus year earlier levels decreased during 4Q93 resulting in an annual average increase of 6.1 per cent. Total oil stocks averaged 3.5 per cent higher compared with a 0.5 per cent decline in demand.

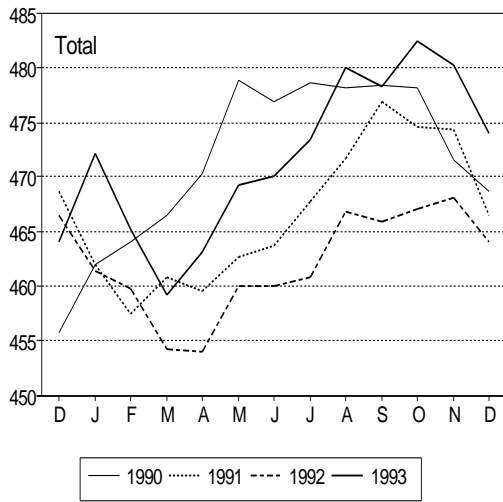
Differences in end-month OECD Stocks between 1993 and 1992 (million metric tons)



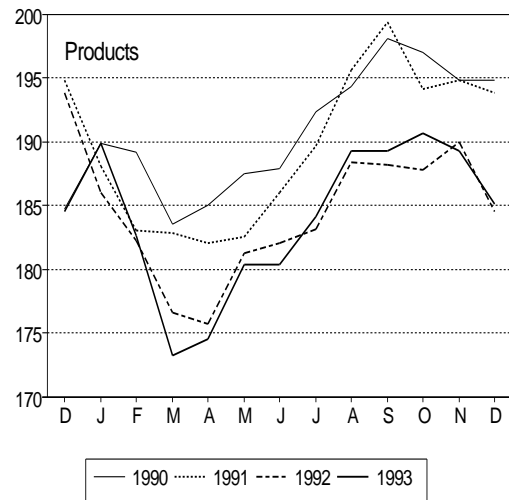
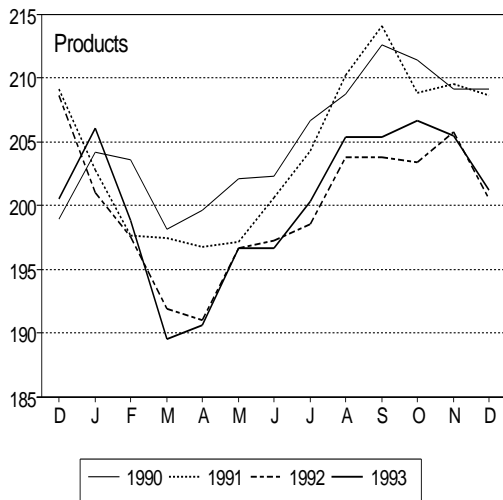
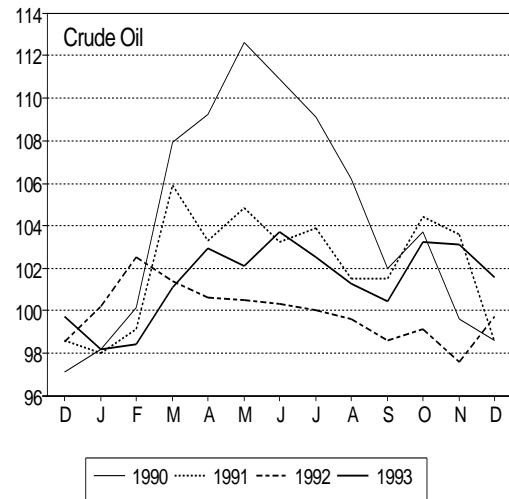
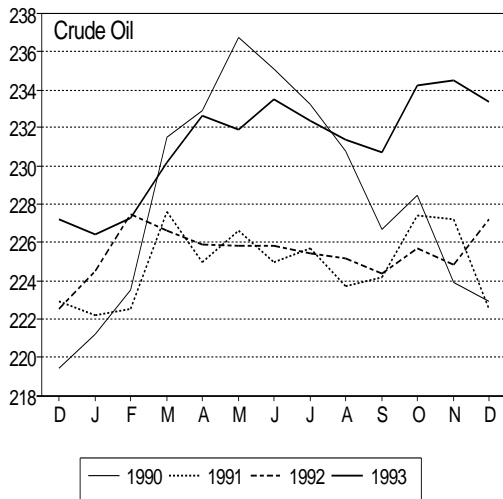
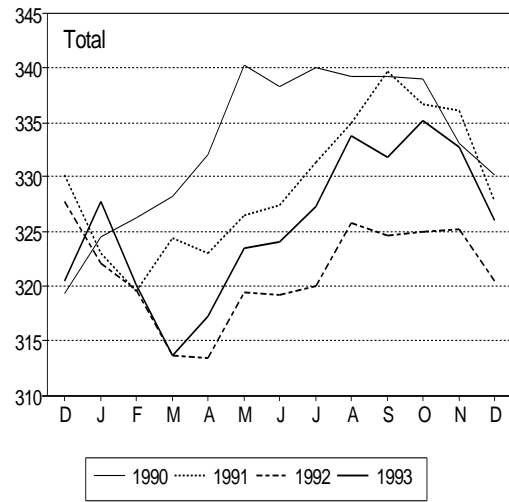
Crude Oil
 Motor Gasoline
 Middle Distillates
 Total Oil

OECD End Month Stocks (million metric tons)

Total Stocks



Industry Stocks



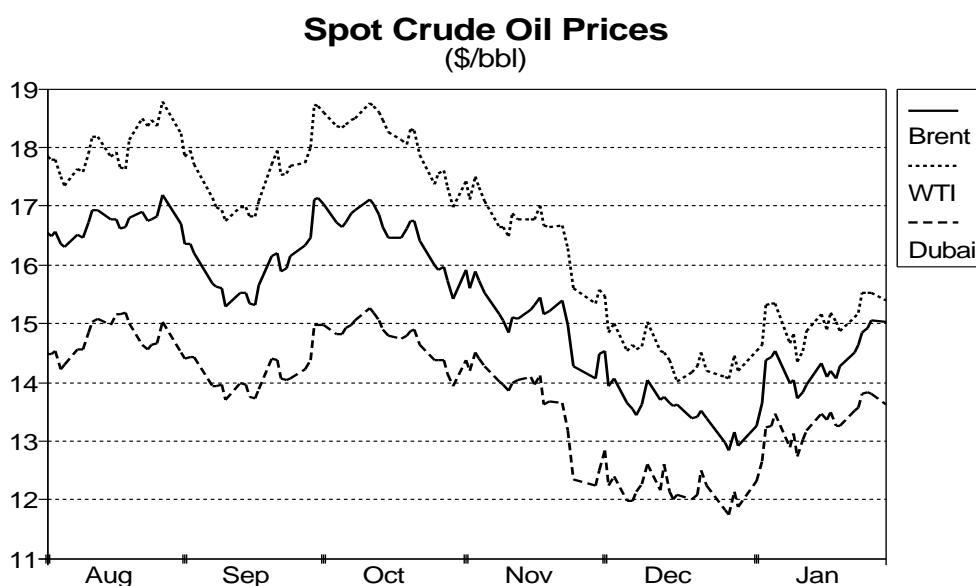
PRICES

CIF Crude Import Costs

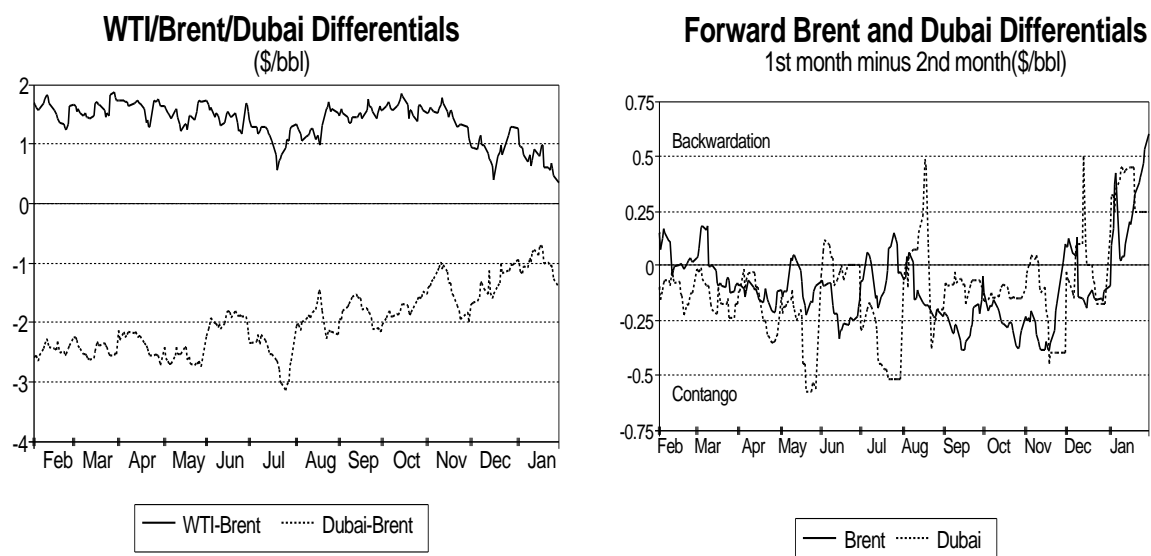
Table 7 shows that the weighted average CIF cost for crude imported into IEA countries in November was \$15.07/bbl, \$0.61/bbl lower than the October figure. The weighted average CIF prices are estimated to have been \$13.60/bbl in December and \$13.30/bbl in January.

Spot Crude Oil Prices

Marker crude prices increased during January, and on 1 February were \$1.80-2.50/bbl above the end-December lows. Crude prices rose significantly at the beginning of the month, fell back briefly and then continued on an upward trend to the end of the month. The recovery in prices after the fourth quarter decline reflected the increase in oil demand due to the cold weather in the North American eastern seaboard and the low level of exports from Russia. In January, dated Brent averaged \$14.27/bbl, \$0.71/bbl higher than in December.



The dated Brent/Dubai differential, which narrowed in December, narrowed further during the first half of January reflecting persistent relative tightness of sour crude in Europe as well as strong demand from India. The differential reached the narrowest level since August 1990 before widening slightly towards the end of the month. In Europe, the price differentials between Brent and other sour, heavier crudes such as Russian Urals and Iranian crudes also narrowed further in January reflecting their limited availability, due in part to problems related to export licensing procedures in Russia. The differential between Brent and Urals, which was about \$2/bbl at the beginning of last June, narrowed to about \$0.50/bbl in January. The WTI Cushing/dated Brent differential remained unusually narrow in January, keeping the arbitrage opportunity to move North Sea crude to the US closed throughout the month. The narrow differentials reflected the high US crude stock levels and the heavy first quarter refinery turnaround programme coupled with the relatively tight sour crude position in Europe which tended to support Brent prices as some refiners used low sulphur crudes in place of higher sulphur oil.



The price differentials between light sweet crudes and heavier sour crudes also narrowed sharply in the US. The WTI/ANS differential narrowed from about \$2/bbl at the beginning of the month to close to \$1.50/bbl, reflecting the increase of \$0.80/bbl in the term price of Arab Heavy crude for February supply to the US which tended to raise sour crude prices relative to sweet. Saudi Arabia changed the price formulae for term sour crudes supply to the US market from those linked to the spot ANS price to those linked to the spot WTI price in January responding to concerns about the appropriateness of ANS as a benchmark crude. In making this change, Saudi Arabia adjusted the price formulae in accordance with changes in the relative values of sour and sweet crudes in the US. The increase in the Arab Heavy price relative to low sulphur crude is consistent with the recent tighter European sour crude market and higher sour refining margins relative to margins for light sweet crudes in the US.

The Brent price for prompt delivery was higher than for forward delivery (backwardation) for the most of January reflecting the continued short spot availability of sour crude and expectations of lower European crude demand in March due to heavier refinery maintenance. The backwardation widened to more than \$0.50/bbl, the highest level since April 1991. The Dubai market also remained in sharp backwardation in January consistent with the tight European sour crude market.

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

					Week ending:					
	Nov	Dec	Jan	Change	24 Dec	31 Dec	07 Jan	14 Jan	21 Jan	28 Jan
Brent Dated	15.17	13.56	14.27	0.71	13.43	12.98	14.05	13.93	14.19	14.79
Dubai	13.75	12.18	13.28	1.09	12.21	11.89	12.99	12.99	13.37	13.70
WTI	16.66	14.49	15.04	0.55	14.29	14.20	15.04	14.66	15.03	15.37
Brent over Dubai	1.42	1.38	1.00		1.22	1.08	1.07	0.92	0.83	1.09
WTI over Brent	1.49	0.93	0.77		0.86	1.23	0.98	0.75	0.83	0.57
Brent 1st month minus 2nd month	-0.27	-0.07	0.25		-0.14	-0.14	0.19	0.05	0.25	0.44

Spot Product Prices

In January, monthly average spot prices of all major products increased significantly in the US with jet/kerosene and low sulphur heavy fuel oil (LSFO) prices increasing by \$4.77/bbl and \$3.44/bbl respectively in New York Harbour. Average prices of heavy fuel oils increased also in Europe and Singapore, but other prices in the two markets remained relatively stable.

The prices of distillates and low sulphur heavy fuel oil increased sharply in **the US** reflecting the cold weather in the eastern seaboard which coincided with the start of the heavy refinery turnaround schedule which in turn restricted refiners' ability to respond to higher product demand with increased production.

The LSFO price increased the most, by about \$5/bbl in the first half of the month with the gasoline/LSFO differential nearly disappearing as utility companies, which had already begun to increase LSFO demand due to higher gas prices, increased demand further due to cold weather (see graph). The gasoil price also increased early in the month although it decreased in the middle as imports and production increased quickly responding to higher prices. The price differential between jet/kerosene and gasoil increased by more than \$2/bbl as cold weather increased kerosene demand as a blending component for use in diesel fuel and heating oils to improve their cold flow properties (see graph).

The higher prices in the US resulted in wider price differentials for both LSFO and gasoil between the US and Europe, providing an arbitrage opportunity to move these products from Europe to the US (see graphs). The LSFO price in **Europe** increased sharply in the first half of the month reflecting demand from North America as well as demand from ENEL, the Italian utility company. The price of high sulphur heavy fuel oil also increased in Europe consistent with the relative tightness in the sour crude market. In the gasoline market, the price differential between the US and Europe, which increased at the end of December, remained relatively wide for most of the month, providing an arbitrage opportunity to export winter grade gasoline to the US. With the US gasoline market remaining in steep contango (forward prices being higher than prompt prices), traders and refiners continue to stock summer grade gasoline in Europe to be exported later.

The price of low sulphur waxy residue (LSWR) in **Singapore** also increased early in the month reflecting utility demand from the US and some cargoes of LSWR were reported to have been traded into the US. The price, however, declined again in the second half consistent with low regional demand. The price of high sulphur heavy fuel oil in Singapore increased during the month, in part reflecting the lower level of imports from outside the region. However, the higher Singapore price widened the differential between Singapore and the Mediterranean briefly providing an arbitrage opportunity before the price in Europe increased. The gasoil price increased in the middle of the month consistent with strong demand from India.

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
Nov 93	18.25	18.66	22.11	21.95	21.11	23.42	11.46	12.75	10.79
Dec 93	15.62	15.86	19.03	19.47	18.23	21.09	10.48	11.84	8.54
Jan 94	15.96	17.74	18.80	19.23	20.94	21.17	11.86	15.28	10.68
Change over month	0.34	1.88	-0.23	-0.24	2.71	0.07	1.38	3.44	2.14
Week ending:									
24 Dec	15.77	15.89	19.33	19.19	18.01	20.85	10.40	11.84	8.85
31 Dec	15.59	15.86	18.60	19.04	18.62	20.81	10.40	12.34	9.11
07 Jan	15.70	17.69	18.64	19.31	19.83	21.06	10.59	13.29	10.29
14 Jan	15.96	17.60	18.79	19.21	20.73	21.08	11.83	14.53	10.90
21 Jan	16.04	17.36	19.05	19.38	21.01	21.64	12.43	16.03	10.51
28 Jan	16.09	18.32	18.72	19.05	21.85	20.98	12.50	16.89	10.89

* 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 January, end-user prices of gasoline and diesel increased significantly in Germany as a result of tax increases of 17 per cent for premium gasoline, 20 per cent for unleaded gasoline and 13 per cent for diesel. Italian gasoline prices also increased in response to a tax increase of 6 per cent for premium gasoline and 5 per cent for unleaded gasoline. French taxes for motor fuels also increased by 2 per cent for premium gasoline and 4 per cent for unleaded gasoline and diesel in January, although domestic prices remained little changed with tax increases offset by pre-tax price decreases. Excise taxes increased in January also by 10-11 per cent in Netherlands, by 8-9 per cent in Denmark and 2-3 per cent in Portugal for gasolines, and by 13 per cent for gasoil in Netherlands. VAT increased in Belgium from 19.5 per cent to 20.5 per cent for all major products. Prices of heavy fuel oil for industry also increased in France, Germany and Spain consistent with an increase in international spot prices.

Over the past year there has been an appreciable reduction of product cargo market prices while end-user prices have, in general, decreased by significantly less or have even increased. The situation differs among countries and among oil products. However, in general, pre-tax end-user prices in local currencies have

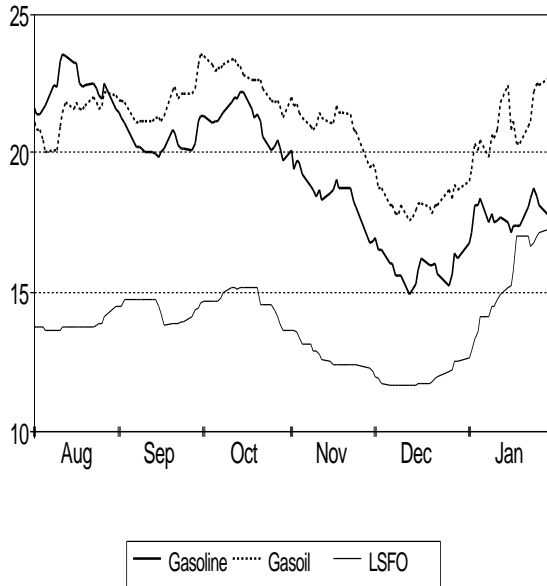
tended to decline less than dollar denominated cargo prices due to a combination of the strengthening of the dollar and higher marketing margins. Increases in excise taxes primarily on transportation fuels have converted these declines in pre-tax prices to increases in post-tax prices in many countries. Taking regular gasoline as an example, average cargo market prices in Rotterdam (unleaded), New York Harbour (unleaded) and Singapore (0.15 g/l) were lower by 24 per cent, 20 per cent and 23 per cent respectively in January 1994 than in January 1993. The table below shows the percentage changes in unleaded regular mid-January end-user prices, excise taxes and exchange rates for a sample of OECD countries.

**Unleaded Regular Gasoline End-User Price Changes
January 1993-January 1994**

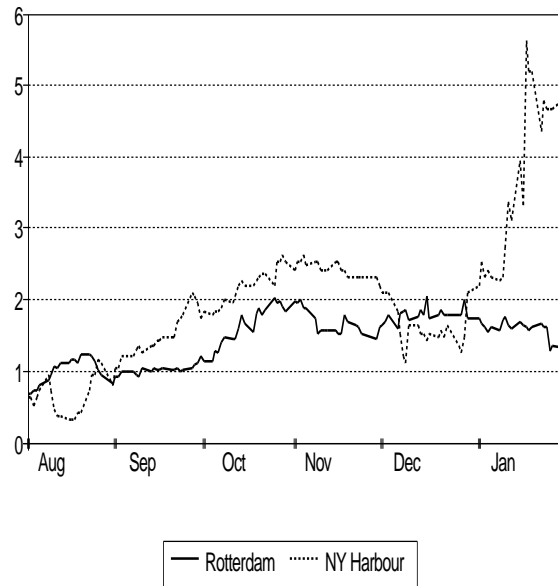
	% change in			
	Exchange Rate Local Currency/US\$	Price Ex-Tax	Excise Taxes	Price Incl. Tax
Belgium	9	-10	10	3
Denmark	8	-6	9	2
France	8	-15	6	7
Germany	8	-5	20	12
Greece	14	-6	-	-2
Ireland	15	-12	-	-5
Italy	14	-4	10	5
Netherlands	5	-7	11	4
Portugal	20	6	6	6
Spain	15	5	10	8
UK	3	-8	21	9
Japan	-10	-5	-	-2
Canada	3	-22	-	-12
USA	-	-15	10	-6

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

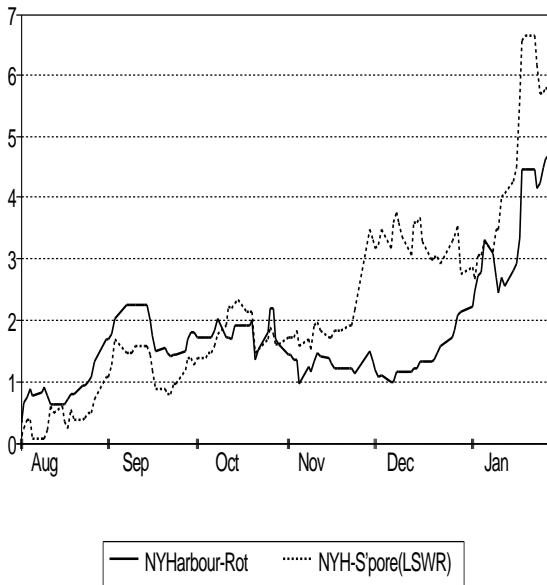
New York Harbour Spot Product Prices
(\$/bbl)



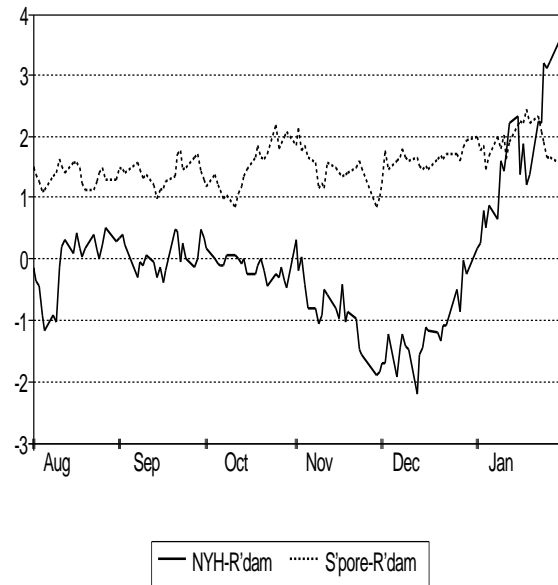
Jet/Gasoil Price Differentials
(\$/bbl)



LSFO Price Differentials
(\$/bbl)



Gasoil Price Differentials
(\$/bbl)



REFINERY ACTIVITY

Refining Margins

Following the decline in US refining margins in December, monthly average margins increased markedly in the US as product prices increased more sharply than crude prices. Catalytic cracking margins for Brent and WTI increased more than for ANS reflecting more moderate increases in their prices than in the ANS price and their higher yields of light products, the prices of which increased more than heavier product prices. (The price of low sulphur heavy fuel oil increased significantly less in the US Gulf than in the New York Harbour.) In Europe and Singapore, on the other hand, margins either decreased slightly or remained stable with sharp increases in heavy fuel oil prices offset by declines of lighter product prices relative to crude prices. The Brent cracking margin decreased more than hydroskimming margins as a result of its higher yield of lighter products. Margins increased in the middle of the month in all three markets, in part reflecting a temporary decline in crude prices and increases in product prices in the US, and the ANS margin reached \$2.72/bbl, the highest level since last May, before decreasing once more.

Refining Margins in Major Refining Centres

	(\$/bbl)									
						Week ending:				
	Nov	Dec	Jan	Change	24 Dec	31 Dec	07 Jan	14 Jan	21 Jan	28 Jan
NW Europe										
Brent (Hydroskimming)	0.51	0.25	0.04	-0.21	0.28	0.65	-0.20	0.41	0.37	-0.31
Brent (Cracking)	2.88	2.23	1.73	-0.51	2.26	2.61	1.74	2.08	1.96	1.26
US Gulf Coast										
Brent (Cracking)	0.84	-0.07	1.28	1.35	0.16	0.76	0.89	1.72	1.20	1.34
WTI (Cracking)	0.40	-0.01	1.34	1.35	0.18	0.43	0.77	1.80	1.15	1.59
ANS (Cracking)	1.56	1.34	2.02	0.68	1.38	1.68	1.62	2.52	1.94	2.04
Singapore										
Dubai(Hydroskimming)	0.83	0.80	0.77	-0.04	0.76	1.06	0.60	1.03	0.98	0.50

Refinery Crude Throughputs

In December, the aggregate refinery throughputs of Europe, Japan and the US at 30.6 mb/d, remained little changed from the level in November with a slight increase in Japan offset by a decrease in the US. This aggregate level was 1.0 mb/d higher than the level in December 1992 as throughputs in both the US and Europe were substantially higher than a year earlier. Average crude throughputs in 1993 were 1.8 per cent higher than in 1992.

Total crude throughputs in distillation units in OECD European countries remained little changed at 12.6 mb/d in December. Increases in German and French throughputs were offset by small decreases in throughputs in Italy and several other countries. Average crude throughputs in OECD European countries in 1993 were 1.4 per cent higher than in 1992, consistent with higher refining margins in 1993 than in 1992 (see page 20 of last month's *Oil Market Report*) and increased conversion capacity.

Crude throughputs in the US decreased slightly to 13.7 mb/d in December consistent with lower refinery margins. Utilisation of operating capacity (excluding idle plant) decreased slightly to 92 per cent. Average crude throughputs in 1993 were 1.9 per cent higher than in 1992 in spite of somewhat lower average margins, partly reflecting increased conversion capacity.

Japanese crude throughputs increased slightly from 4.3 mb/d in November to 4.4 mb/d in December. Throughputs in December were lower than a year earlier for the fourth month in the year. Utilisation of operating capacity increased from 95 to 96 per cent. Average crude throughputs in 1993 were 2.7 per cent higher than in 1992. With product demand in 1993 about the same level as in 1992, higher throughputs in 1993 were consistent with lower product imports, which were 86 per cent of product imports in 1992.

Preliminary indications for January suggest somewhat lower throughput levels in Europe consistent with lower refinery margins. Weekly US statistics indicate that the throughput level in January decreased with more than 0.5 mb/d of refining capacity out of service for maintenance. The refinery maintenance of crude distillation units in the US in 1Q94 is expected to be heavier than last year with the peak coming in March. In Japan, crude throughputs in January are believed to have increased slightly.

Refinery Crude Throughputs in OECD Countries

	million barrels per day					% change from prior year		
	Aug	Sept	Oct	Nov*	Dec*	1993	Dec 93	1993
OECD Europe	12.32	12.33	11.85	12.60	12.59	12.04	6.1	1.4
France	1.58	1.58	1.66	1.68	1.73	1.57	19.6	6.6
Germany	2.13	2.17	1.99	2.12	2.24	2.08	10.2	2.1
Italy	1.62	1.69	1.69	1.74	1.67	1.64	-9.1	-1.4
Netherlands	1.17	1.16	0.97	1.14	1.17	1.10	7.5	1.1
UK	1.75	1.71	1.70	1.75	1.73	1.73	4.2	5.9
US	14.02	13.89	13.76	13.70	13.66	13.68	2.9	1.9
Japan	4.12	3.84	3.75	4.31	4.35	3.99	-1.6	2.7

* estimated

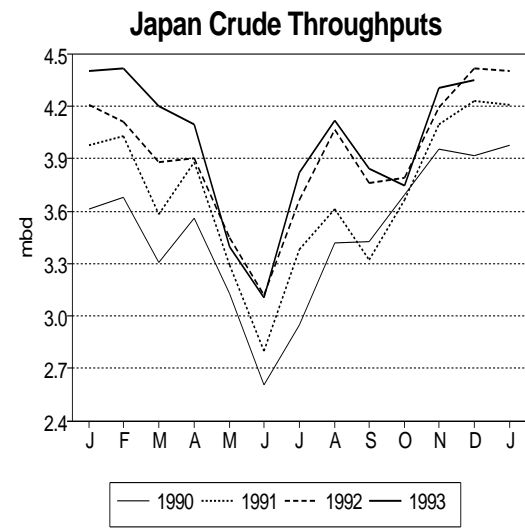
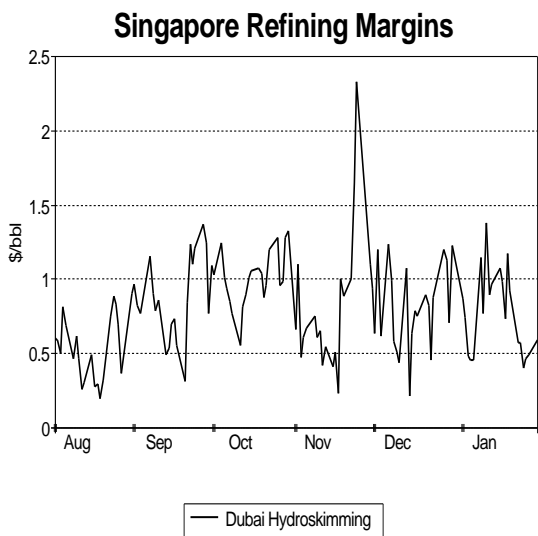
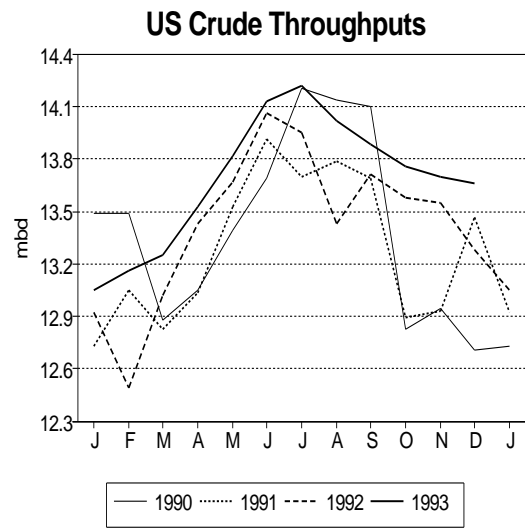
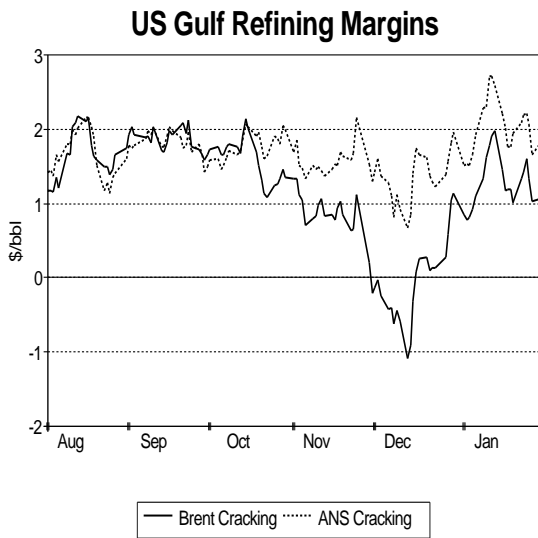
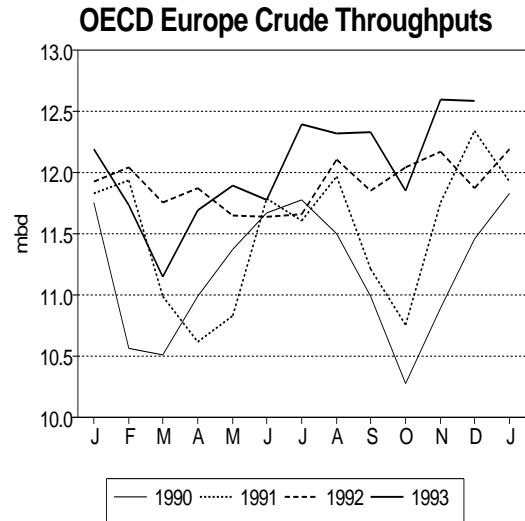
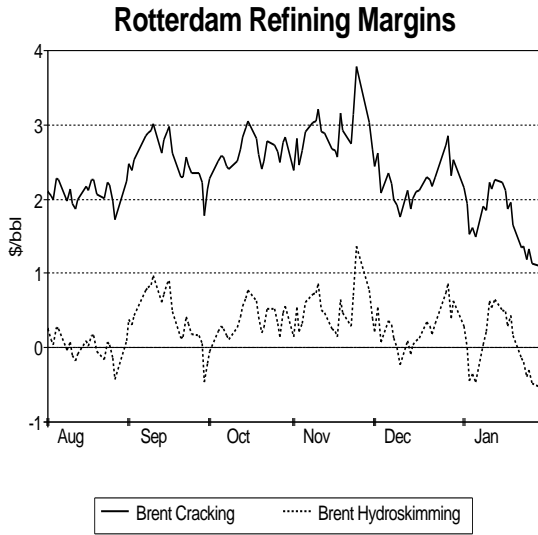


Table 1
WORLD OIL SUPPLY AND DEMAND

(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	19.0	19.5	18.9	19.0	18.8	19.5	19.6	19.2	19.5	19.1	19.5	19.9	19.5
Europe ¹	13.0	13.4	14.1	13.1	13.6	13.8	13.7	13.7	13.1	13.7	13.8	13.6	13.9	13.2	13.7	14.0	13.7
Pacific	6.1	6.2	6.8	5.8	5.9	6.6	6.3	7.0	5.9	5.6	6.4	6.2	6.8	5.8	5.9	6.5	6.3
TOTAL OECD	38.1	38.3	39.6	37.5	38.5	39.8	38.9	39.8	37.8	38.8	39.9	39.1	40.2	38.1	39.1	40.4	39.5
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	4.9	4.7	4.9	5.0
China ²	2.3	2.5	2.6	2.6	2.7	2.7	2.7	2.8	2.8	2.9	3.0	2.9	3.0	3.0	3.1	3.1	3.1
Europe ¹	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	1.1	1.2	1.2
Latin America	5.1	5.3	5.2	5.4	5.5	5.5	5.4	5.4	5.6	5.7	5.7	5.6	5.5	5.7	5.8	5.9	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	29.3	28.1	27.3	28.1	28.1	28.6	27.6	27.2	28.3	27.9	28.4	27.8	27.5	28.6	28.1
TOTAL DEMAND³	66.5	66.9	68.9	65.7	65.8	67.9	67.1	68.3	65.4	66.0	68.2	67.0	68.7	65.9	66.6	69.0	67.6
SUPPLY																	
OECD																	
North America	11.0	11.1	11.2	11.0	10.9	11.1	11.1	11.1	10.9	10.9	11.1	11.0	11.0	10.9	10.7	10.9	10.9
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	5.8	5.5	5.7	6.2	5.8
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	0.6	0.6	0.6	0.6	0.6
TOTAL OECD	15.9	16.3	16.8	16.3	16.3	16.9	16.6	16.6	16.4	16.7	17.5	16.8	17.4	17.0	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	7.2	7.0	6.9	6.7	7.0
China	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.9	2.9	2.8	2.9	2.9	2.9	2.9	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	5.9	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	1.8	1.9	1.8	1.9	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	2.1	2.1	2.1	2.1	2.1
Processing Gains ⁴	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	40.2	40.1	41.1	40.5	41.0	40.4	40.2	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	24.8	24.7					
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					
TOTAL OPEC	24.8	25.0	25.8	25.5	26.2	27.1	26.2	27.3	26.4	27.0	27.0	26.9					
TOTAL SUPPLY⁵	67.0	66.9	67.5	66.4	67.0	68.0	67.2	67.8	66.6	67.1	68.1	67.4					
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	-0.5	0.2					
Government	0.0	0.0	0.2	0.0	0.0	0.2	0.1	0.2	0.0	0.0	0.1	0.1					
TOTAL OECD	0.3	0.0	-1.0	0.6	0.6	-0.4	0.0	-0.5	1.1	0.9	-0.4	0.3					
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	0.1					
Other & Misc. to balance ⁶	0.0	0.1	-0.4	0.3	0.4	0.5	0.2	0.2	0.0	0.1	0.1	0.0					
TOTAL STOCK CH. & MISC.	0.5	0.0	-1.4	0.7	1.2	0.1	0.2	-0.5	1.2	1.1	-0.1	0.4					
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	1.8	2.1	2.2	1.8	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 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).

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

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

6 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)

	July			August			September			Third Quarter			October		
	1992	1993	%	1992	1993	%	1992	1993	%	1992	1993	%	1992	1993	%
North America															
LPG	2.02	2.08	3.2	1.94	1.86	-4.3	1.99	2.01	1.3	1.98	1.98	0.1	2.31	2.27	-1.8
Naphtha	0.30	0.26	-13.9	0.28	0.27	-5.6	0.27	0.24	-10.6	0.28	0.26	-10.1	0.26	0.23	-10.2
Motor Gasoline	8.37	8.52	1.8	8.03	8.63	7.4	8.02	8.41	4.9	8.14	8.52	4.7	7.96	8.08	1.5
Jet/Kerosene	1.46	1.49	2.2	1.54	1.50	-2.5	1.46	1.53	5.0	1.49	1.51	1.5	1.47	1.49	1.8
Gasoil	3.01	3.01	0.2	3.05	3.20	4.8	3.34	3.42	2.3	3.13	3.21	2.4	3.47	3.49	0.6
Residual Fuel Oil	1.14	1.18	3.5	1.11	1.03	-7.3	1.07	1.35	26.0	1.11	1.18	7.0	1.24	1.14	-8.5
Other Products	2.84	2.77	-2.5	2.90	2.84	-2.0	2.73	2.92	7.0	2.82	2.84	0.7	2.63	2.62	-0.5
Total	19.13	19.31	1.0	18.85	19.31	2.5	18.88	19.89	5.3	18.95	19.50	2.9	19.34	19.32	-0.1
Europe															
LPG	0.73	0.74	2.7	0.71	0.73	2.7	0.76	0.82	7.7	0.73	0.76	4.4	0.82	0.83	1.4
Naphtha	0.75	0.75	0.4	0.76	0.77	1.7	0.82	0.70	-14.6	0.78	0.74	-4.4	0.67	0.69	2.0
Motor Gasoline	3.25	3.30	1.6	3.07	3.11	1.5	3.14	3.08	-1.9	3.15	3.17	0.5	3.05	2.96	-3.0
Jet/Kerosene	0.82	0.84	3.3	0.84	0.89	6.3	0.84	0.89	5.6	0.83	0.87	5.1	0.79	0.81	2.8
Gasoil	4.57	4.58	0.4	4.19	4.15	-1.0	4.94	4.99	1.1	4.56	4.57	0.2	4.61	4.65	0.9
Residual Fuel Oil	2.12	2.07	-2.1	2.05	2.15	5.0	2.27	2.25	-0.8	2.14	2.16	0.6	2.19	2.17	-1.0
Other Products	1.49	1.42	-4.8	1.34	1.35	0.8	1.50	1.40	-6.2	1.44	1.39	-3.5	1.39	1.31	-5.7
Total	13.71	13.71	0	12.96	13.17	1.6	14.27	14.14	-0.9	13.64	13.67	0.2	13.51	13.41	-0.8
Pacific															
LPG	0.65	0.64	-1.3	0.57	0.59	3.9	0.64	0.64	1.5	0.62	0.63	1.2	0.65	0.64	-1.2
Naphtha	0.49	0.44	-10.6	0.49	0.49	0.3	0.45	0.46	3.9	0.48	0.46	-2.4	0.51	0.49	-3.3
Motor Gasoline	1.17	1.19	1.6	1.23	1.24	0.9	1.14	1.16	1.0	1.18	1.20	1.2	1.13	1.14	1.5
Jet/Kerosene	0.47	0.50	6.3	0.46	0.48	3.8	0.50	0.49	-2.6	0.48	0.49	2.5	0.59	0.62	6.2
Gasoil	1.34	1.33	-1.4	1.24	1.27	3.2	1.31	1.34	1.7	1.30	1.31	1.1	1.36	1.37	0.6
Residual Fuel Oil	0.89	0.78	-12.5	0.88	0.74	-16.2	0.94	0.76	-18.9	0.90	0.76	-15.9	0.93	0.79	-15.1
Other Products	0.90	0.79	-11.9	0.88	0.81	-8.0	0.99	0.76	-23.7	0.92	0.79	-14.7	0.97	0.77	-20.7
Total	5.91	5.67	-4.2	5.76	5.64	-2.1	5.97	5.61	-6.1	5.88	5.64	-4.1	6.13	5.82	-5.0
OECD															
LPG	3.39	3.47	2.2	3.22	3.18	-1.3	3.38	3.47	2.8	3.33	3.37	1.3	3.78	3.74	-1.0
Naphtha	1.53	1.44	-5.9	1.54	1.53	-0.1	1.54	1.41	-8.5	1.54	1.46	-4.8	1.44	1.41	-2.1
Motor Gasoline	12.79	13.01	1.8	12.33	12.99	5.3	12.31	12.65	2.8	12.48	12.89	3.3	12.14	12.18	0.3
Jet/Kerosene	2.75	2.84	3.2	2.84	2.87	1.2	2.80	2.91	3.8	2.80	2.87	2.7	2.84	2.93	3.0
Gasoil	8.92	8.92	0	8.48	8.62	1.7	9.59	9.74	1.6	8.99	9.09	1.1	9.43	9.50	0.7
Residual Fuel Oil	4.14	4.03	-2.8	4.04	3.91	-3.0	4.28	4.36	1.9	4.15	4.10	-1.3	4.37	4.10	-6.2
Other Products	5.23	4.98	-4.8	5.12	5.01	-2.3	5.22	5.08	-2.6	5.19	5.02	-3.2	4.98	4.69	-5.9
Total	38.75	38.69	-0.2	37.57	38.12	1.5	39.12	39.63	1.3	38.47	38.80	0.9	38.98	38.55	-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
OECD OIL DEMAND FOR SELECTED COUNTRIES
(million barrels per day)

	August			September			Third Quarter			October			November		
	1992	1993	%	1992	1993	%	1992	1993	%	1992	1993	%	1992	1993	%
United States															
LPG	1.70	1.61	-4.8	1.74	1.81	3.8	1.73	1.73	0.4	2.10	2.06	-2.2	2.33	2.25	-3.6
Naphtha	0.21	0.19	-9.3	0.21	0.18	-15.1	0.22	0.19	-14.2	0.19	0.17	-12.7	0.17	0.18	5.5
Motor Gasoline	7.43	7.99	7.5	7.42	7.78	4.8	7.53	7.89	4.7	7.39	7.51	1.6	7.23	7.46	3.2
Jet/Kerosene	1.45	1.42	-2.3	1.37	1.45	5.2	1.40	1.42	1.5	1.38	1.41	2.7	1.45	1.50	3.7
Gasoil	2.72	2.84	4.4	2.97	3.01	1.5	2.79	2.84	1.9	3.06	3.06	-0.1	3.04	3.19	5.1
Residual Fuel Oil	0.97	0.87	-10.0	0.96	1.22	27.2	0.98	1.05	7.2	1.11	1.00	-9.7	1.04	1.01	-2.9
Other Products	2.63	2.58	-1.7	2.48	2.67	7.3	2.57	2.59	0.8	2.40	2.39	-0.6	2.15	2.24	4.0
Total	17.11	17.52	2.3	17.15	18.10	5.5	17.21	17.71	2.9	17.63	17.59	-0.2	17.40	17.83	2.4
Japan															
LPG	0.51	0.52	3.1	0.57	0.58	2.1	0.56	0.56	0.5	0.59	0.58	-2.3	0.63	0.64	2.0
Naphtha	0.48	0.49	0.5	0.44	0.46	3.9	0.47	0.46	-2.4	0.49	0.48	-2.0	0.52	0.52	-0.1
Motor Gasoline	0.91	0.91	-0.7	0.81	0.82	1.1	0.86	0.86	0.3	0.79	0.81	2.9	0.80	0.83	4.0
Jet/Kerosene	0.38	0.40	4.2	0.42	0.40	-3.3	0.40	0.41	2.8	0.51	0.54	6.2	0.73	0.74	1.6
Gasoil	1.05	1.07	1.9	1.12	1.13	1.1	1.10	1.11	0.5	1.16	1.17	1.0	1.22	1.28	4.8
Residual Fuel Oil	0.83	0.70	-16.5	0.90	0.72	-19.7	0.86	0.72	-16.2	0.90	0.75	-16.4	0.93	0.80	-14.1
Other Products	0.79	0.70	-11.3	0.88	0.64	-27.5	0.82	0.67	-18.1	0.87	0.65	-25.0	0.81	0.77	-5.1
Total	4.95	4.77	-3.6	5.13	4.75	-7.5	5.07	4.79	-5.4	5.30	4.98	-6.1	5.63	5.58	-1.0
Germany															
LPG	0.09	0.09	7.2	0.10	0.11	15.1	0.09	0.10	9.0	0.08	0.09	4.0	0.10	0.12	20.7
Naphtha	0.19	0.19	-2.8	0.21	0.21	0.3	0.19	0.20	1.6	0.18	0.21	16.7	0.21	0.19	-10.8
Motor Gasoline	0.72	0.74	2.7	0.77	0.78	0.3	0.75	0.76	1.3	0.76	0.73	-4.3	0.73	0.74	1.4
Jet/Kerosene	0.12	0.13	8.9	0.12	0.12	-1.3	0.12	0.12	3.5	0.11	0.12	8.4	0.11	0.11	1.0
Gasoil	1.29	1.31	1.7	1.38	1.48	7.4	1.36	1.38	1.6	1.16	1.23	5.4	1.17	1.44	23.1
Residual Fuel Oil	0.18	0.19	4.0	0.22	0.19	-12.7	0.20	0.18	-8.7	0.21	0.18	-14.5	0.23	0.21	-11.0
Other Products	0.25	0.26	4.6	0.28	0.28	2.2	0.27	0.27	0.2	0.25	0.27	9.4	0.27	0.25	-6.1
Total	2.84	2.91	2.5	3.08	3.17	3.1	2.98	3.01	1.0	2.76	2.82	2.4	2.83	3.07	8.4
Italy															
LPG	0.08	0.08	1.9	0.09	0.09	8.4	0.09	0.08	-2.7	0.11	0.10	-7.3	0.11	0.13	24.4
Naphtha	0.07	0.10	43.8	0.08	0.10	21.8	0.07	0.10	29.3	0.08	0.11	37.8	0.08	0.09	3.4
Motor Gasoline	0.37	0.36	-1.6	0.39	0.38	-4.6	0.39	0.40	1.9	0.38	0.38	0.6	0.38	0.41	6.7
Jet/Kerosene	0.08	0.11	27.4	0.07	0.10	45.6	0.08	0.10	27.3	0.07	0.08	4.5	0.07	0.07	2.3
Gasoil	0.37	0.34	-7.5	0.57	0.52	-8.2	0.48	0.44	-8.3	0.59	0.57	-4.0	0.59	0.64	8.6
Residual Fuel Oil	0.52	0.61	17.0	0.59	0.59	0.1	0.55	0.57	4.8	0.51	0.55	9.1	0.65	0.61	-6.1
Other Products	0.17	0.14	-16.8	0.22	0.16	-26.7	0.21	0.15	-28.1	0.20	0.15	-26.1	0.18	0.17	-2.4
Total	1.67	1.75	4.8	2.01	1.95	-3.3	1.86	1.84	-1.3	1.94	1.94	-0.1	2.06	2.13	3.1
France															
LPG	0.10	0.08	-20.9	0.12	0.10	-15.4	0.10	0.09	-14.8	0.14	0.13	-8.8	0.14	0.13	-3.9
Naphtha	0.16	0.15	-4.1	0.17	0.11	-34.5	0.17	0.13	-24.5	0.14	0.10	-28.5	0.20	0.19	-6.2
Motor Gasoline	0.41	0.41	-0.9	0.39	0.38	-3.7	0.41	0.40	-2.4	0.38	0.35	-6.2	0.34	0.34	-1.0
Jet/Kerosene	0.10	0.11	1.7	0.10	0.10	2.1	0.10	0.11	2.3	0.09	0.08	-14.6	0.08	0.08	0.3
Gasoil	0.67	0.64	-4.8	0.82	0.76	-7.0	0.75	0.72	-4.3	0.83	0.82	-1.9	0.79	0.95	20.3
Residual Fuel Oil	0.11	0.10	-9.7	0.14	0.13	-6.9	0.12	0.12	-5.5	0.16	0.16	1.2	0.17	0.18	6.5
Other Products	0.18	0.18	-3.0	0.21	0.21	-1.2	0.21	0.21	0.5	0.20	0.18	-9.6	0.17	0.16	-5.6
Total	1.74	1.66	-4.5	1.96	1.80	-8.2	1.88	1.77	-5.5	1.94	1.82	-6.3	1.89	2.03	7.4
United Kingdom															
LPG	0.12	0.15	29.9	0.15	0.15	3.7	0.13	0.15	13.9	0.14	0.15	8.9	0.14	0.17	22.8
Naphtha	0.08	0.08	-0.3	0.08	0.04	-48.9	0.08	0.07	-15.8	0.07	0.07	-1.2	0.07	0.08	7.1
Motor Gasoline	0.54	0.54	0.6	0.58	0.55	-5.1	0.56	0.55	-3.0	0.56	0.54	-4.8	0.55	0.57	3.5
Jet/Kerosene	0.21	0.22	7.1	0.22	0.23	4.0	0.21	0.22	6.1	0.20	0.22	8.7	0.18	0.22	16.8
Gasoil	0.38	0.41	8.0	0.45	0.45	1.1	0.41	0.42	2.1	0.44	0.44	-0.7	0.45	0.50	12.8
Residual Fuel Oil	0.23	0.22	-2.6	0.24	0.27	11.2	0.24	0.25	3.2	0.26	0.23	-11.7	0.31	0.28	-8.6
Other Products	0.16	0.16	5.3	0.16	0.16	-3.1	0.16	0.16	0.1	0.16	0.16	2.3	0.16	0.16	3.5
Total	1.71	1.79	5.0	1.88	1.85	-1.5	1.80	1.81	1.0	1.83	1.80	-1.5	1.86	1.98	6.6
Canada															
LPG	0.24	0.24	-0.6	0.24	0.21	-16.0	0.25	0.25	-2.0	0.21	0.22	1.9	0.27	0.23	-15.3
Naphtha	0.07	0.07	6.0	0.06	0.07	4.5	0.07	0.07	3.3	0.07	0.07	-3.2	0.07	0.06	-7.3
Motor Gasoline	0.60	0.64	6.2	0.60	0.64	5.7	0.61	0.64	4.3	0.57	0.57	-0.3	0.56	0.59	6.3
Jet/Kerosene	0.09	0.08	-4.8	0.09	0.09	0.4	0.08	0.08	1.1	0.09	0.08	-12.4	0.09	0.08	-4.2
Gasoil	0.33	0.36	7.6	0.37	0.41	8.7	0.34	0.36	6.9	0.40	0.43	5.4	0.40	0.44	9.6
Residual Fuel Oil	0.14	0.15	12.4	0.11	0.13	15.6	0.13	0.14	5.5	0.14	0.14	2.1	0.18	0.18	-0.5
Other Products	0.27	0.25	-5.0	0.25	0.26	3.7	0.26	0.26	-0.6	0.23	0.23	0.3	0.20	0.19	-6.5
Total	1.73	1.80	3.7	1.73	1.78	3.3	1.74	1.79	3.1	1.71	1.72	0.8	1.77	1.78	0.5

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)

	1991	1992	1993	1Q93	2Q93	3Q93	4Q93	Oct93	Nov93	Dec93	Jan94
OPEC											
Crude Oil											
Saudi Arabia	8.16	8.22	7.96	8.14	7.91	7.91	7.88	7.87	7.90	7.88	7.88
Iran	3.33	3.43	3.65	3.70	3.60	3.70	3.60	3.62	3.57	3.60	3.65
Iraq	0.30	0.43	0.48	0.45	0.45	0.48	0.54	0.53	0.54	0.54	0.52
UAE	2.42	2.29	2.20	2.26	2.20	2.16	2.17	2.19	2.15	2.16	2.15
Kuwait	0.13	0.88	1.69	1.64	1.52	1.79	1.82	1.83	1.82	1.80	1.81
Neutral Zone	0.13	0.36	0.36	0.39	0.30	0.38	0.39	0.39	0.36	0.40	0.37
Qatar	0.39	0.40	0.42	0.43	0.42	0.43	0.41	0.42	0.41	0.40	0.40
Nigeria	1.82	1.88	1.89	1.93	1.83	1.90	1.89	1.89	1.88	1.91	2.00
Libya	1.51	1.48	1.37	1.42	1.35	1.36	1.37	1.36	1.39	1.35	1.28
Algeria	0.75	0.75	0.75	0.76	0.74	0.74	0.75	0.74	0.76	0.75	0.74
Gabon	0.29	0.29	0.30	0.30	0.30	0.29	0.30	0.29	0.31	0.30	0.29
Venezuela	2.34	2.33	2.31	2.33	2.26	2.28	2.36	2.36	2.37	2.35	2.35
Indonesia	1.41	1.33	1.34	1.36	1.36	1.34	1.32	1.30	1.33	1.33	1.33
Total Crude Oil	22.97	24.06	24.71	25.08	24.23	24.75	24.77	24.79	24.77	24.75	24.77
NGLs ¹	2.05	2.09	2.21	2.19	2.22	2.24	2.21	2.19	2.22	2.23	2.24
TOTAL OPEC³	25.02	26.15	26.92	27.27	26.45	26.99	26.98	26.98	26.99	26.98	27.01
NON-OPEC²											
OECD											
United States	9.17	9.00	8.82	8.98	8.79	8.65	8.86	8.85	8.86	8.86	8.85
Canada	1.98	2.06	2.18	2.10	2.12	2.25	2.27	2.24	2.25	2.31	2.20
UK	1.94	2.00	2.17	2.07	1.92	2.19	2.50	2.44	2.49	2.56	2.59
Norway	1.96	2.22	2.38	2.25	2.29	2.35	2.60	2.58	2.63	2.59	2.50
Australia	0.61	0.60	0.57	0.56	0.60	0.57	0.53	0.47	0.55	0.58	0.58
Other OECD	0.69	0.69	0.68	0.66	0.67	0.66	0.70	0.69	0.70	0.72	0.72
Total OECD	16.34	16.56	16.79	16.62	16.40	16.67	17.45	17.26	17.48	17.61	17.43
Non-OECD											
Former USSR	10.37	8.97	7.83	8.20	8.00	7.66	7.48	7.52	7.51	7.40	7.29
Russia	9.26	7.93	6.86	7.22	7.02	6.69	6.51	6.56	6.54	6.43	6.35
Others	1.11	1.05	0.97	0.98	0.98	0.97	0.97	0.97	0.97	0.97	0.95
China	2.80	2.84	2.85	2.82	2.85	2.86	2.87	2.87	2.87	2.85	2.93
Europe	0.30	0.28	0.29	0.28	0.29	0.29	0.29	0.29	0.29	0.29	0.28
Latin America	5.59	5.67	5.77	5.67	5.75	5.74	5.91	5.90	5.91	5.93	5.92
Mexico	3.13	3.12	3.13	3.07	3.13	3.12	3.21	3.20	3.20	3.22	3.18
Brazil	0.85	0.85	0.88	0.86	0.86	0.88	0.91	0.90	0.91	0.91	0.91
Colombia	0.43	0.45	0.47	0.48	0.47	0.44	0.48	0.48	0.48	0.48	0.49
Ecuador	0.31	0.32	0.34	0.33	0.34	0.34	0.35	0.35	0.35	0.35	0.36
Others	0.87	0.93	0.95	0.93	0.95	0.96	0.98	0.98	0.97	0.98	0.98
Asia	1.71	1.77	1.82	1.84	1.80	1.80	1.82	1.82	1.82	1.82	1.85
Middle East	1.43	1.50	1.63	1.57	1.58	1.63	1.75	1.69	1.78	1.79	1.74
Africa	1.97	2.02	2.05	2.06	2.05	2.02	2.08	2.07	2.08	2.08	2.05
Total Non-OECD	24.16	23.06	22.23	22.43	22.31	21.99	22.20	22.17	22.26	22.17	22.06
Processing Gains ⁴	1.35	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.45	1.50
TOTAL NON-OPEC	41.85	41.07	40.47	40.50	40.16	40.12	41.10	40.88	41.18	41.23	40.99
TOTAL SUPPLY	66.87	67.23	67.39	67.77	66.61	67.10	68.08	67.86	68.17	68.21	68.00

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).

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			
	AUG93	SEP93	OCT93*	NOV93*	DEC93*	DEC90	DEC91	DEC92	Q193	Q293	Q393	Q493
North America												
Crude	39.2	37.9	38.8	39.6	40.0	38.3	38.2	37.4	0.12	0.20	-0.26	0.17
Gasoline	21.6	22.2	22.6	23.9	24.2	24.4	23.8	23.1	0.20	-0.10	-0.15	0.19
Middle Distil	25.0	25.3	26.9	27.3	27.1	27.1	28.0	26.4	-0.53	0.17	0.27	0.14
Heavy Fuel Oi	14.5	14.5	15.3	15.9	15.8	19.1	17.8	16.0	-0.13	0.11	-0.09	0.09
Total Product	81.2	81.6	83.7	85.2	83.5	87.1	86.5	81.2	-0.52	0.56	0.24	0.11
Total ⁵	143.4	141.6	144.0	145.1	143.3	142.1	141.8	135.6	-0.17	0.86	0.08	0.09
OECD Europe												
Crude	40.3	39.3	40.7	41.1	40.8	37.8	36.3	40.9	0.02	-0.06	-0.08	0.12
Gasoline	15.6	15.4	15.6	15.9	15.8	16.1	15.8	15.3	0.11	-0.11	0.00	0.03
Middle Distil	35.4	34.1	34.0	32.0	32.0	33.7	34.9	33.6	-0.36	0.16	0.20	-0.17
Heavy Fuel Oi	25.2	25.3	25.0	24.6	23.8	25.6	25.4	23.9	-0.04	0.06	0.08	-0.11
Total Product	86.3	85.1	84.3	82.3	81.6	85.4	86.8	83.3	-0.32	0.10	0.34	-0.27
Total ⁵	134.4	132.1	132.9	131.3	130.4	132.0	130.8	131.8	-0.30	0.05	0.21	-0.12
OECD Pacific												
Crude	21.8	23.2	23.7	22.4	20.8	22.5	24.1	21.5	-0.02	0.08	0.08	-0.19
Gasoline	3.0	3.0	3.0	2.9	2.7	2.7	2.6	2.7	0.03	0.00	0.01	-0.03
Middle Distil	10.0	10.7	10.7	10.6	9.4	10.7	9.7	9.1	-0.21	0.13	0.21	-0.11
Heavy Fuel Oi	2.9	3.0	2.9	2.8	2.7	2.8	2.8	2.5	0.00	0.00	0.04	-0.02
Total Product	21.7	22.6	22.6	21.8	20.0	22.4	20.5	20.0	-0.19	0.08	0.32	-0.23
Total ⁵	55.9	58.1	58.3	56.4	52.3	56.2	55.2	52.9	-0.21	0.10	0.52	-0.49
OECD												
Crude	101.3	100.4	103.2	103.1	101.6	98.6	98.5	99.7	0.12	0.22	-0.27	0.09
Gasoline	40.2	40.7	41.2	42.7	42.7	43.2	42.3	41.1	0.34	-0.22	-0.15	0.19
Middle Distil	70.4	70.1	71.5	69.9	68.4	71.5	72.6	69.1	-1.10	0.46	0.68	-0.14
Heavy Fuel Oi	42.6	42.8	43.3	43.3	42.3	47.5	46.0	42.4	-0.18	0.17	0.04	-0.04
Total Product	189.2	189.3	190.6	189.3	185.1	194.9	193.8	184.5	-1.04	0.75	0.90	-0.39
Total ⁵	333.7	331.8	335.1	332.7	326.0	330.2	327.8	320.4	-0.67	1.02	0.82	-0.52

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			
	AUG93	SEP93	OCT93*	NOV93*	DEC93*	DEC90	DEC91	DEC92	Q193	Q293	Q393	Q493
North America												
Crude	78.9	79.1	79.2	79.3	79.3	79.2	76.8	77.7	0.03	0.06	0.03	0.01
OECD Europe												
Crude	17.7	17.7	17.7	17.7	17.7	16.9	16.9	17.7	0.00	0.00	0.00	0.00
Products	16.1	16.1	16.1	16.1	16.1	14.2	14.8	16.1	0.02	-0.01	-0.01	-0.01
OECD Pacific												
Crude	33.5	33.5	34.1	34.4	34.9	28.2	30.2	32.2	0.10	0.00	0.01	0.11
OECD												
Crude	130.1	130.4	131.0	131.4	131.9	124.2	124.0	127.5	0.13	0.06	0.04	0.12
Products	16.1	16.1	16.1	16.1	16.1	14.2	14.8	16.1	0.02	-0.01	0.00	-0.01
Total ⁵	146.2	146.5	147.2	147.5	148.0	138.5	138.8	143.6	0.16	0.05	0.03	0.12

* 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 ²		End December 1993 ^{1 2}	
	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	14.3	68	14.4	70	14.5	66	14.6	-	-	-
United States	199.0	94	198.4	95	207.0	95	206.2	-	-	-
NORTH AMERICA	213.3	92	212.8	93	221.5	93	220.8	93	222.6	94
Australia	4.6	50	4.6	50	4.7	51	5.0	-	-	-
Japan	79.4	101	78.2	122	79.5	131	85.4	-	-	-
New Zealand	1.1	77	1.1	77	1.1	86	1.2	-	-	-
PACIFIC	85.1	96	83.9	112	85.3	120	91.6	112	87.2	101
Austria	2.9	98	2.9	98	2.9	95	2.9	-	-	-
Belgium	5.1	76	4.9	77	5.1	78	5.5	-	-	-
Denmark	4.0	152	3.5	138	3.2	124	3.5	-	-	-
Finland	3.3	126	3.1	120	2.9	97	2.7	-	-	-
France	19.2	74	18.2	76	18.3	80	19.6	-	-	-
Germany	43.6	121	43.6	120	43.8	113	44.1	-	-	-
Greece	4.4	90	4.8	120	4.7	111	4.5	-	-	-
Ireland	1.2	86	1.2	95	1.2	89	1.2	-	-	-
Italy	22.5	87	21.2	90	21.6	88	21.2	-	-	-
Luxembourg	0.4	73	0.4	71	0.4	77	0.4	-	-	-
Netherlands	10.3	105	9.3	96	10.2	101	11.2	-	-	-
Norway	4.7	203	4.7	185	3.8	145	4.9	-	-	-
Portugal	3.0	83	3.1	88	3.1	90	3.2	-	-	-
Spain	9.9	72	9.9	80	9.7	67	9.8	-	-	-
Sweden	5.2	123	4.9	127	5.5	136	5.4	-	-	-
Switzerland	5.0	148	5.2	158	4.8	134	4.7	-	-	-
Turkey	3.4	51	3.5	52	3.7	44	3.3	-	-	-
United Kingdom	17.5	75	18.2	83	18.3	80	17.7	-	-	-
EUROPE ³	165.6	94	162.4	97	163.3	92	165.9	92	164.2	91
OECD ⁴	464.0	93	459.2	97	470.1	97	478.3	96	474.0	94
DAYS OF IEA NET IMPORTS ⁵	-	145	-	139	-	143	-	146	-	-

1 End December 1993 stock level based on preliminary data.

2 End September 1993 and 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	68
Q491	466	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	332	96	29	66
Q493	474	148	326	94	29	65

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	4Q92	1Q93	2Q93	3Q93	4Q93	Aug93	Sep93	Oct93	Nov93	Dec93	jan94
Crude Oil Prices														
IEA CIF Average Import	19.30	18.49	16.39*	18.76	17.41	17.53	15.86	14.78*	15.77	15.53	15.68	15.07	13.60*	13.30*
FOB Spot														
Brent (Dated)	19.99	19.30	17.00	19.18	18.21	18.23	16.49	15.08	16.70	15.99	16.50	15.17	13.56	14.27
WTI (1st month)	21.53	20.54	18.44	20.46	19.81	19.76	17.78	16.42	17.98	17.50	18.11	16.66	14.49	15.04
Dubai (1st month)	16.53	17.18	14.93	17.14	15.85	15.93	14.37	13.56	14.75	14.18	14.75	13.75	12.18	13.28
Product Prices 1														
Rotterdam														
Premium 0.15 g/l	28.37	25.31	22.45	24.38	23.12	24.42	22.59	19.67	22.87	21.73	21.75	20.07	17.19	17.30
Regular Unleaded	26.57	23.75	20.70	23.16	21.72	22.82	20.33	17.91	20.75	19.46	19.87	18.25	15.62	15.96
Naphtha	23.71	20.93	18.47	20.93	19.76	20.14	17.66	16.33	17.77	16.88	17.72	16.68	14.59	14.57
Jet/Kerosene	28.07	24.90	23.37	25.82	24.24	23.72	22.41	23.10	22.38	22.75	24.42	23.63	21.27	20.83
Gasoil	26.96	23.76	22.28	24.20	22.90	23.26	21.54	21.39	21.39	21.73	22.76	21.95	19.47	19.23
Fuel Oil 1.0%S	14.22	14.26	13.50	15.01	14.58	14.67	13.13	11.62	12.94	12.54	12.92	11.46	10.48	11.86
Fuel Oil 3.5%S	12.27	12.90	10.22	14.25	11.27	10.95	9.35	9.30	9.48	9.53	9.83	9.69	8.38	9.51
Gross Product Worth 2	24.63	22.11	20.27	22.25	21.03	21.46	19.81	18.76	19.84	19.57	20.28	19.14	16.87	16.98
NY Harbour														
Super Unleaded 93	29.79	26.86	23.69	26.27	23.74	26.04	24.42	20.56	25.58	23.32	23.40	20.44	17.84	20.75
Regular Unleaded 87	27.54	24.57	21.58	23.98	22.33	23.91	21.53	18.55	22.35	20.46	21.13	18.66	15.86	17.74
Jet/Kerosene	26.65	24.88	23.33	25.03	24.34	23.91	22.34	22.72	21.93	23.28	24.81	23.54	19.83	24.60
No.2 (Heating Oil)	25.56	24.00	22.04	24.38	23.41	22.74	21.33	20.65	21.29	21.80	22.61	21.11	18.23	20.94
Fuel Oil 1.0%S	15.02	15.31	14.63	16.46	15.26	15.87	14.28	13.11	13.78	14.38	14.73	12.75	11.84	15.28
Fuel Oil 3.5%S	11.42	12.34	11.21	14.42	11.91	12.17	10.93	9.83	11.16	10.79	10.57	9.83	9.09	10.70
Gross Product Worth 3	23.91	22.30	20.16	21.97	20.79	22.26	19.83	17.76	20.16	19.53	19.95	17.94	15.41	17.26
Singapore														
Regular 0.15 g/l	28.63	26.56	24.01	25.96	24.66	26.59	23.28	21.51	23.75	23.29	23.38	22.11	19.03	18.80
Naphtha	22.84	20.24	17.22	19.36	18.45	19.24	16.38	14.80	16.64	14.81	15.90	15.16	13.36	13.38
Jet/Kerosene	28.29	25.39	24.42	26.15	25.55	25.29	22.77	24.07	22.59	22.77	25.08	24.74	22.39	22.49
Gasoil	28.20	25.12	24.02	25.83	24.97	25.27	22.91	22.92	22.75	23.14	24.26	23.42	21.09	21.17
LSWR (0.3%S)	15.16	14.72	14.90	16.21	16.17	19.16	13.53	10.74	13.39	13.12	12.90	10.79	8.54	10.68
HSFO (3.5%S 180cst)	14.10	13.44	11.83	14.07	12.69	13.23	11.37	10.04	11.67	11.80	11.45	9.58	9.07	10.94
Gross Product Worth 4	20.06	18.45	17.17	18.98	18.24	18.94	16.16	15.32	16.21	15.99	16.66	15.47	13.84	14.80

* = 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
January 1994

	National Currency						US Dollars					
	Price	Tax	%ch Prev.Month Price	Excl.Tax	%ch Year Ago Price	Excl.Tax	Price	Excl.Tax	%ch Prev.Month Price	Excl.Tax	%ch Year Ago Price	Excl.Tax
GASOLINE² Price per Litre												
France	5.590	4.535	0.9	-3.4	7.5	-8.7	0.945	0.179	-0.2	-4.3	-0.4	-15.2
Germany	1.490	1.174	15.6	5.0	12.3	-5.4	0.855	0.181	13.4	2.8	4.1	-12.6
Italy	1665.0	1284.9	5.0	2.3	6.8	-4.0	0.979	0.224	4.4	1.8	-6.4	-15.8
Spain	107.5	74.5	0.5	1.3	9.0	8.9	0.748	0.229	-1.8	-1.3	-13.1	-13.6
UK	0.557	0.414	-0.4	-1.4	8.7	-10.1	0.832	0.213	-0.2	-1.4	6.0	-12.3
Japan	121	58	0.0	0.0	-2.4	-4.5	1.080	0.562	-2.1	-2.1	8.9	6.4
Canada	0.488	0.259	-1.3	-2.1	-12.0	-21.6	0.370	0.173	-0.3	-1.1	-14.7	-24.5
USA ³	0.276	0.100	-2.5	-3.8	-6.4	-15.5	0.276	0.176	-2.5	-3.8	-6.4	-15.4
AUTOMOTIVE DIESEL⁴ Price per Litre												
France	3.312	2.122	1.3	-3.3	13.2	-4.0	0.560	0.201	0.2	-4.3	4.9	-11.1
Germany	1.008	0.620	9.3	4.3	7.2	-2.0	0.579	0.223	7.4	2.8	-0.5	-9.0
Italy	1042.02	676.04	0.0	0.0	5.6	1.4	0.613	0.216	-0.6	-0.5	-7.4	-10.7
Spain	73.32	40.30	0.5	1.2	8.9	10.1	0.510	0.230	-1.7	-0.9	-13.1	-12.2
UK	0.442	0.277	0.0	0.0	9.8	-5.2	0.660	0.246	0.2	-0.0	7.1	-7.5
Japan	80	34	0.0	0.0	5.3	-8.2	0.714	0.410	-2.1	-1.9	17.4	2.5
Canada	0.513	0.213	-1.0	-1.3	-2.2	-2.3	0.389	0.228	0.0	0.0	-5.1	-5.0
USA	..	..	..	..	..	..	..	..	..	..	..	..
DOMESTIC HEATING OIL Price per 1000 Litres												
France	2112.4	818.2	-0.0	-0.8	1.8	-2.1	357.0	218.7	-1.2	-2.0	-5.8	-9.3
Germany	453.1	139.1	2.7	3.4	-0.1	-0.2	260.1	180.2	0.8	1.5	-7.4	-7.4
Italy	1244000	874660	-0.6	-1.8	5.9	2.1	731.4	217.1	-1.3	-2.5	-7.3	-10.6
Spain	45953	17794	0.3	0.5	-1.0	-4.1	319.8	196.0	-1.9	-1.8	-21.0	-23.4
UK	127.87	16.40	-5.2	-5.9	-5.7	-8.8	190.9	166.4	-5.0	-5.7	-8.1	-11.0
Japan ⁵	49440	1440	0.0	0.0	-2.2	-2.2	441.4	428.5	-2.1	-2.1	9.1	9.1
Canada	..	..	..	..	..	..	..	..	..	..	..	..
USA ⁶	241.5	..	-1.4	..	-5.8	..	241.5	..	-1.4	..	-5.8	..
HFO FOR INDUSTRY^{4, 7} Price per Metric Ton												
France	571.8	151.8	5.5	7.7	-8.3	-13.4	96.6	71.0	4.3	6.4	-15.1	-19.8
Germany	180.0	30.0	5.3	6.4	-6.2	-7.4	103.3	86.1	3.3	4.4	-13.0	-14.1
Italy	227520	45000	1.2	1.5	-5.7	-7.0	133.8	107.3	0.5	0.8	-17.4	-18.5
Spain	15613	2000	5.1	4.3	15.3	16.0	108.7	94.7	2.7	1.9	-7.9	-7.4
UK	62.34	11.67	-2.5	-3.1	-9.5	-14.6	93.1	75.6	-2.3	-2.9	-11.8	-16.7
Japan	20817	606	0.0	0.0	-20.7	-20.7	185.8	180.4	-2.1	-2.1	-11.5	-11.5
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 December 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.