

9 March 1994

HIGHLIGHTS

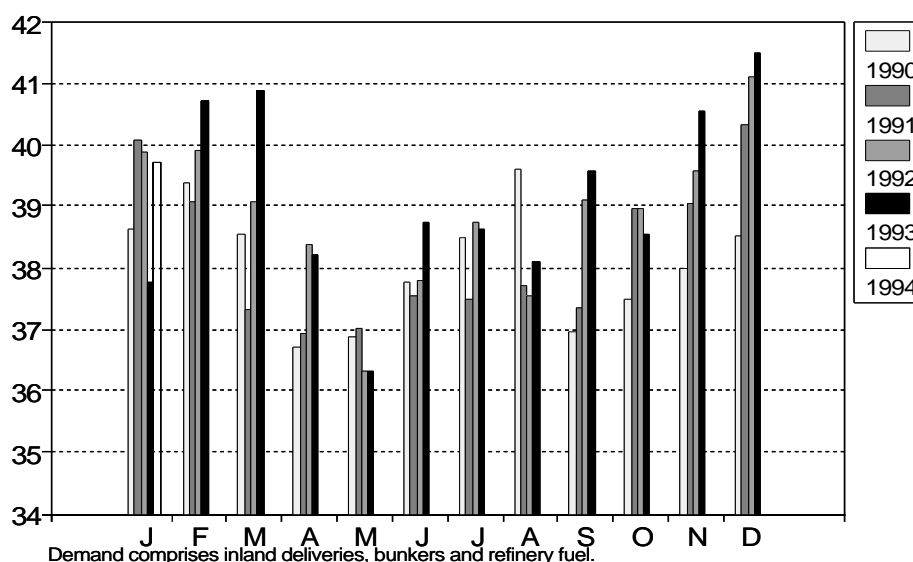
- OECD demand in 4Q93 has been revised from 39.9 mb/d to 40.2 mb/d in view of the unexpectedly high level of deliveries in Europe in November/December as consumers built stocks in 4Q93 in advance of January tax increases. Demand in 1Q93 has also been revised upward, by 0.1 mb/d to 40.3 mb/d. The impact of cold weather in January and February on North American distillate demand is believed to have been partly offset by exceptionally depressed January demand in Europe due to high consumer stocks and unseasonably mild weather. Japanese demand in January was 0.1 mb/d below last January's level, largely the result of lower direct crude use.
- World oil supply increased by 0.22 mb/d in 1993 to 67.45 mb/d with a 0.79 mb/d increase in total OPEC production more than offsetting a 0.56 mb/d decline in non-OPEC supplies as FSU supplies continued to decrease. OECD crude oil production was essentially unchanged but there was a significant expansion in output of NGLs and non-conventional oil supply. Non-OPEC Middle East and Asian countries, including China, registered the largest production rises. Latin American output was also higher, especially in the last half of the year. The upward trends in the non-OECD areas, excluding the FSU, are projected to continue in 1994.
- OPEC production in February increased to 24.79 mb/d in February from a revised 24.76 mb/d January level. Higher output from Nigeria was responsible for most of the increase. Problems at Nigerian refineries temporarily deflected a larger share of Nigerian output into the export market adding to the growing light crude supply from the North Sea.
- Primarily as a result of a significant revision to the end of December stock levels by the US EIA/DOE, the total OECD stockdraw in December has been increased from last month's preliminary estimate of 1.7 mb/d to 3.0 mb/d with a corresponding increase in the 4Q93 draw from 0.5 mb/d to 0.9 mb/d. In January, preliminary estimates indicate a total industry stockdraw of only 0.7 mb/d with increases in Europe (0.7 mb/d) and the Pacific (0.1 mb/d), more than offset by a continuing sharp decline in North American stocks of 1.4 mb/d. By the end of January, total stock levels in Europe were above normal end of January levels while North American stocks at 133 mt were 5 per cent lower than last year with distillate showing the largest decrease. As discussed in the stocks section of this report, there is the possibility of upward revision to the North American end of January data when actual data become available.
- In February, the Brent crude price peaked early in the month and then declined by \$2.80/bbl, reaching a five year low of \$12.60/bbl before recovering somewhat in the second half. The sharp decline reflected anticipation of the end of cold US weather as well as a recovery in Russian exports and heavy US and European turnarounds. The relative tightness of sour, heavier crudes continued in February in all major markets and contributed to the narrowing of sulphur differentials for heavy fuel oils in Europe. In product markets, distillate prices in the US peaked early in the month and declined very sharply in the middle.
- The decline in average crude prices coupled with higher prices of most products resulted in most refining margins increasing in February. Refinery throughputs in January decreased sharply in the US reflecting heavy refinery maintenance. Preliminary indications for February suggest lower throughputs in Europe consistent with heavier refinery maintenance and higher throughputs in Japan and the US.

DEMAND

Summary

- The extended period of exceptionally low temperatures over much of North America in January and February has led to a further upward revision to 19.6 mb/d in projected regional demand in 1Q93. The cold first quarter in the main oil-consuming areas of the US and Canada and the prospect of a stronger economic recovery than previously assumed has prompted a minor upward revision to North American demand in 1994. A net increase of almost 0.35 mb/d (1.7 per cent) is now projected for the year.
- As anticipated in last month's report, European demand in 4Q93 has been revised upwards a further 0.2 mb/d to 14.0 mb/d in the light of more extensive data for November and December deliveries. Further revision is possible once complete December data for all European countries are available. Since the strength of deliveries in both November and December is believed to reflect a larger than expected increase in secondary/tertiary stocks in 4Q93, rather than any sharp rebound in underlying oil consumption, and temperatures in western Europe have generally been above seasonal norms so far in 1Q94, demand in 1Q94 has been revised down 0.1 mb/d to 13.8 mb/d, unchanged from 1Q93.
- A set of annual revisions to historical OECD demand has been incorporated into all OECD demand estimates, both historical and projected. The net effect of these revisions is to marginally reduce OECD demand in 1993 by about 40 kb/d (see below).

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



Recent Demand Trends: Marked Regional Contrast in January

According to provisional data for the seven main consuming countries, reproduced in the table below, aggregate inland demand was 1.6 mb/d or 5 per cent above the levels of January 1993. However, this somewhat misleading comparison should be viewed in the context of exceptionally low levels of demand in the US and Europe in January 1993 due to unseasonably mild weather. Furthermore, provisional data for January this year are actually *below* the comparable provisional data for both November and December. Indeed, the extraordinary weakness of European deliveries in January indicates a drop of 1.5-2.0 mb/d in total OECD demand between December and January (see graph above) despite the effects of cold weather in North America.

Preliminary Inland Deliveries¹ January 1994

(million barrels per day)

	Motor Gasoline		Gasoi/Diesel		Residual Fuel Oil		Total Products ²	
	mb/d	% change	mb/d	% change	mb/d	% change	mb/d	% change
USA ³	6.94	+2.8	4.26	+35.5	1.05	+2.6	18.17	+11.3
Canada	0.52	+5.7	0.48	+25.8	0.14	-4.2	1.36	+6.8
Japan	0.75	+4.1	1.17	+0.4	0.74	-7.2	5.44	-1.9
France	0.33	-2.5	0.84	-0.4	0.11	-1.8	1.73	-2.0
Germany	0.58	-7.4	1.06	-1.2	0.12	-25.5	2.23	-5.4
Italy	0.34	+5.4	0.45	-10.1	0.46	+10.4	1.66	-0.2
UK	0.47	-2.5	0.38	-3.5	0.18	-8.4	1.51	-2.6
European Four	1.72	-2.8	2.73	-2.9	0.87	-1.7	7.13	-2.8
Total	9.93	+2.0	8.64	+15.2	2.79	-1.8	32.09	+5.3

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 oil³ 50 states only

Percentage change is calculated versus January 1993

United States

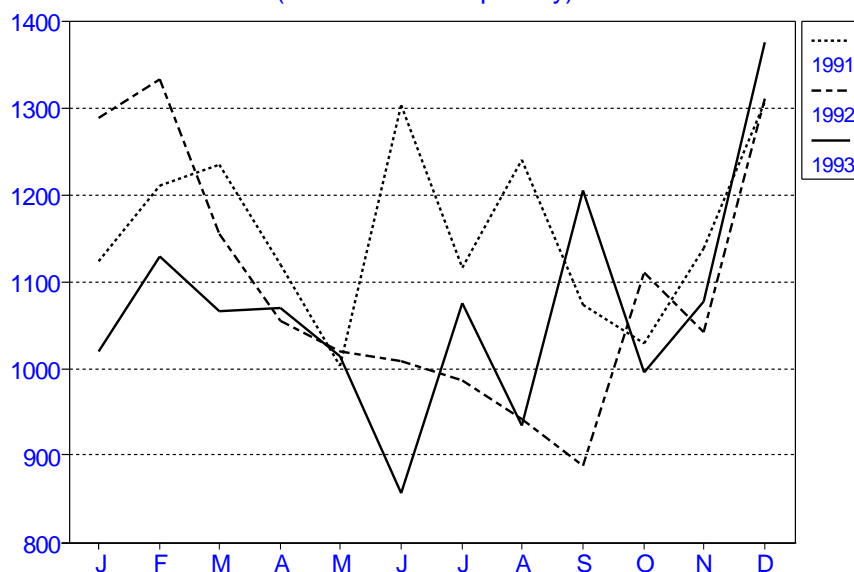
Distillate deliveries were boosted dramatically in January by the unusually sustained period of freezing temperatures. There was a surge in heating oil demand in the north-east where heating degree days were about 15 per cent higher than normal even though monthly average temperatures did not match the unprecedentedly cold weather of December 1989. In addition, utilities' use of distillate in diesel-powered peaking units also picked up substantially as interruptible supplies of natural gas were curtailed and electricity demand reached new record levels. According to weekly EIA/DOE data, distillate deliveries averaged 4.25 mb/d in January, up 0.9 mb/d compared to December, but a downward revision is considered likely when monthly data are released. Preliminary data through to 25 February indicate that distillate demand dropped back to about 3.7 mb/d in February and that total product demand in the 50 states declined to 17.8 mb/d from 18.2 mb/d in January.

US gasoline demand has exhibited surprising strength in recent months. Deliveries rose 1.7 per cent year-on-year in 4Q93 and 2.8 per cent in January, according to EIA/DOE data. API estimates put the January increase at 3.5 per cent per annum, well above the estimated rate of growth of underlying consumption of about 1.5 per cent per annum. Weekly EIA/DOE figures and industry reports of strong retail sales volumes indicate a continuation of this trend in February. It is, however, worth observing that deliveries in January 1993 were exceptionally low (6.75 mb/d in the 50 states) following the changes in statistical reporting of gasoline deliveries. Robust increases in highway travel accompanying the strengthening economic recovery is thought to account for much of recent growth of gasoline demand but the mandatory use of oxygenated gasoline in carbon monoxide non-attainment areas in winter months may also have reinforced the trend. The blending of oxygenates, typically MTBE or fuel ethanol, into gasoline to meet the minimum oxygen content reduces the energy content of gasoline and generally leads to a marginal loss in fuel efficiency, expressed in terms of miles per gallon. In January, oxygenated gasoline deliveries exceeded 2 mb/d or almost 30 per cent of total gasoline deliveries of 6.94 mb/d in the 50 states.

The year-on-year increases in gasoline use are expected to moderate in the coming months. In 1994, gasoline demand in the 50 states is projected to grow 1.5 per cent to 7.60 mb/d. (EIA/DOE data for the US *including* the territories reproduced in the accompanying table show a marginally higher increase of 1.6 per cent in 1993).

Since August last year, the relative price weakness of low sulphur residual fuel oil (LSFO) versus natural gas has intermittently created an incentive for US utilities to switch to LSFO wherever plant flexibility and environmental emissions regulations allow. Fuel oil demand has responded, typically with a lag of one month, to such relative price advantage with a sharp increase in deliveries (see graph below). In the most recent surge in deliveries in December, demand reached 1.38 mb/d, the highest monthly level since February 1990. Demand in January is estimated to have fallen back to about 1.1 mb/d as utilities drew down stocks to meet peak electricity demand. The weakness of oil prices in recent months has highlighted the possibility of continuing intermittent fuel-switching in 1994 and the greater price elasticity of US oil demand at low international oil prices. For the time being, residual fuel oil demand in 1994 is expected to remain unchanged from the 1993 level of 1.1 mb/d, assuming that slightly higher utility use is offset by lower demand in other sectors.

US Residual Fuel Oil Demand 1991-1993 (thousand barrels per day)

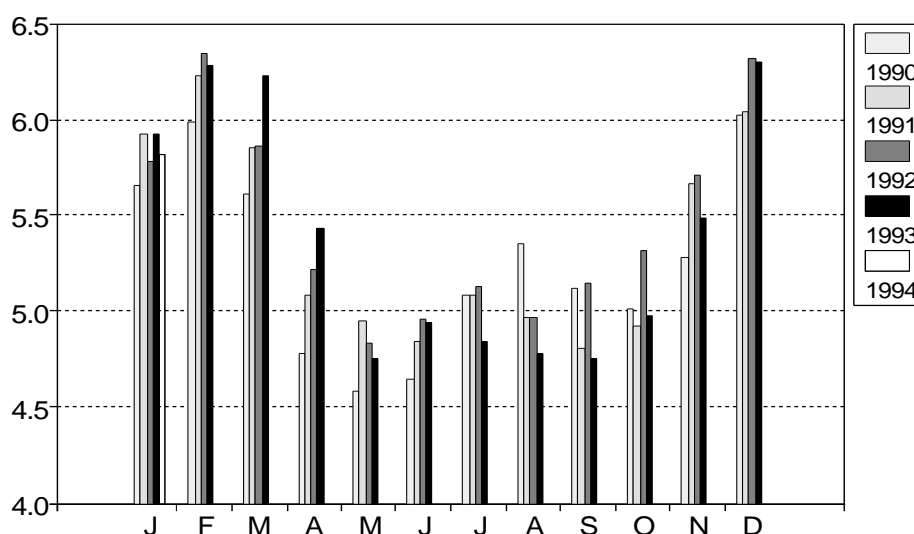


Europe

Deliveries in the four major European markets were exceptionally depressed in January by a combination of mild weather and a consumer stockbuild in 4Q93 in advance of consumer tax increases in Germany, France and the Netherlands. Average temperatures in western Europe were about 2° Celsius above the long-run seasonal average, as they were in December. Both factors are reflected in the 0.6 mb/d fall in inland gasoil deliveries in January compared to December and the 2.9 per cent decline versus the exceptionally low levels of January 1993. The only major elements of European demand to show any signs of relative strength were gasoline (+5.4 per cent) and fuel oil (+10.4 per cent) in Italy. Preliminary Spanish indications for January are of a drop of 1 per cent in both gasoline and gasoil deliveries compared to January 1993.

The onset of colder weather in the first half of February raised interest in German heating oil after a long lull and anecdotal reports from other major markets indicate a significant upturn in ex-refinery deliveries in Europe in February.

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



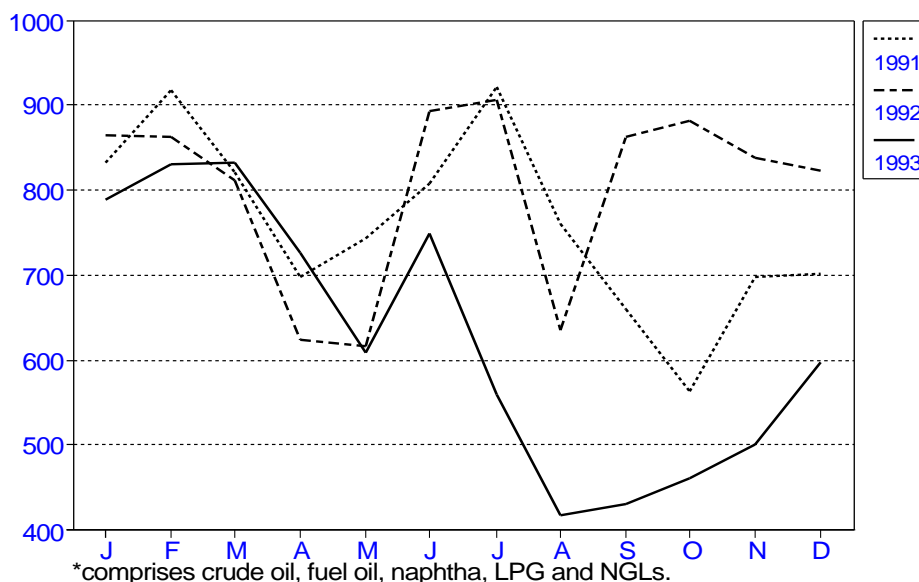
Japan

Japanese demand dropped sharply in January from an unexpectedly high level in December (6.3 mb/d), consistent with the predictable monthly pattern of deliveries in Japan (see graph above). Inland product deliveries recorded a year-on-year increase (0.7 per cent) for only the second time since June 1993 but lower deliveries of crude oil for direct burning more than offset this increase to leave aggregate oil demand down 0.1 mb/d compared to January 1993. Market reports and the onset of colder weather in February point to an increase in both deliveries and retail sales in February.

January marked a further recovery in utilities' use of fuel oil and crude oil from the unusually low levels seen between July and November. Electricity output in January from the nine main regional power companies increased 2.3 per cent year-on-year (well above the annual rate of 0.8 per cent in 1993) raising their *consumption* of low sulphur crude oil above last year's level for the first time since June 1993.

Ethylene output from Japanese petrochemical companies fell 3 per cent year-on-year in January continuing the recent downward trend in the face of severe competition in export markets from other Asian countries, notably Korea. If official MITI projections of a decline of 8 per cent in 1H 1994 versus 1H 1993 are realised, demand for naphtha, the principle feedstock in ethylene manufacture, is likely to be severely curbed in coming months below its recent level of 700 kb/d.

Japanese Oil Use in Electricity Generation* 1991-1993 (thousand barrels per day)



Australia

Monthly data to December indicate a robust recovery of 4.5 per cent in Australian oil use to an average 768 kb/d in 1993. Inland deliveries, excluding refinery fuel and bunkers, rose 3.2 per cent to 732 kb/d, led by robust growth of gasoline (+1.2 per cent) and automotive diesel oil (+4.9 per cent) which together account for two-thirds of total inland demand. Inland sales in January dropped back to 630 kb/d but still posted a significant increase of 5.4 per cent versus January 1993.

Preliminary Review of 1993 Demand

- The latest provisional figures for 1993 indicate that OECD demand rose 0.7 per cent to 39.1 mb/d in 1993. The non-synchronised nature of the economic downturn in the main OECD consuming regions since 1990 has meant that aggregate OECD demand has continued to rise in each of the last four years, as it has since 1986.
- North America and Australasia were the only OECD regions to record significant oil demand growth in 1993, reflecting their third year of economic recovery. As in Europe and Japan, transport fuels demand significantly outpaced the performance of other fuels and feedstocks.
- European demand appears now to have stagnated at 13.65 mb/d, rather than to have declined marginally as expected three months ago. This reflects some selective re-stocking by consumers in 4Q93 in response to low prices and in anticipation of end-year tax increases on transport fuels, and the first indications of modest economic recovery in continental Europe in the second half of 1993.
- Demand in the US (including the territories) grew 1 per cent in 1993 if gasoline deliveries are expressed on a common basis in both 1992 and 1993. Current EIA/DOE data (before resubmissions of monthly estimates) indicate an annual growth rate of 0.4 per cent for the 50 states. This discrepancy is expected to diminish once annual data for 1993 are released in May or June.
- Revised Japanese data now show a decline of 1.4 per cent or 75 kb/d to 5.39 mb/d in 1993 due to the contraction of industrial output and a cool, wet summer which cut demand for fuel oil and direct crude use in electricity generation. This marks the first annual decline in Japanese oil demand since 1985. Product deliveries (including bunkers and refinery fuel) actually *increased* by 0.4 per cent to 5.04 mb/d but this marginal gain was more than offset by the decline of 0.1 mb/d in direct crude use in electricity generation and the petrochemical industry (Oil Market Report, 4 February).
- Turkey once again recorded the fastest rate of annual demand growth, almost 15 per cent according to provisional data, primarily due to the rapid growth of road transport fuel use.
- Residual fuel oil use underwent a further decline in all major consuming countries, most notably in Japan, due to a combination of weak industrial activity and diminishing use in electricity generation against a background of tightening environmental constraints on inland use. A more moderate decline is expected in 1994 in view of the possibility of price-induced fuel-switching in the US if low oil prices persist, the projected recovery in economic and industrial activity in Europe and the assumption of "normal" summer demand for residual fuel oil in Japanese electricity generation.

A detailed breakdown of OECD oil demand in 1992 and 1993 is provided in the accompanying table. All data for 1993 are provisional and subject to revision. Figures do not always correspond to those published by national sources due to differences in methodology and in definitions of product categories and the inclusion in IEA demand estimates of international bunkers and refinery fuel. Annual developments in three of the major European economies (Germany, Italy and Spain) are discussed briefly below.

Europe

The effects of economic recession in Europe are clearly apparent in provisional oil demand data for 1993, notably those for industrial fuels and feedstocks. Residual fuel oil deliveries declined in almost every European country and 2.4 per cent overall due to weak industrial output, continued substitution by natural gas in inland uses and improved hydro and nuclear availability in electricity generation, especially in southern Europe. Weak margins and lower utilisation rates in the bulk petrochemical industry led to a decline in the use of both naphtha and LPG feedstocks. It should be noted that naphtha demand (-2.3 per cent), reproduced in the accompanying table, is calculated net of backflows of blending components and does *not* represent total feedstock use of naphtha.

Recession also curbed demand for transport fuels, the most buoyant element of European oil demand in recent years. Gasoline demand is estimated to have stagnated last year after growing 3.1 per cent in 1991 and 1.5 per cent in 1992, throwing into sharper relief the excess of gasoline production capacity which has become evident in Europe in the last two years. Partial data indicate that diesel demand continued to grow but at a slower rate (estimated at about 3 per cent) than in recent years due to the fall in commercial road traffic in many continental countries and an absolute decline in both Italy and Spain.

Germany

Among the five main European markets, only the German market showed any significant year-on-year growth in 1993. Deliveries increased 2.2 per cent for the year as a whole, due largely to a very strong fourth quarter (+7 per cent versus 4Q92) when cold November weather and consumer buying in advance of end-year tax increases raised demand for gasoil (heating oil and diesel) by 15 per cent versus 4Q92. MWV, the oil industry association, estimates that no less than one third of the annual year-on-year increase

OECD Oil Demand 1992-1993

(million barrels per day)

	LPG		Naphtha		Gasoline		Jet/Kerosene		Gasoil/Diesel		Residual Fuel Oil		Other Products		Total Oil									
	1992	%Δ	1992	%Δ	1992	%Δ	1992	%Δ	1992	%Δ	1992	%Δ	1992	%Δ	1992	%Δ								
US	1.95	-1.9	0.21	0.18	-11.8	7.33	7.56	+3.1	1.37	1.46	+6.6	2.99	3.05	+2.2	1.10	1.05	-4.1	2.31	2.29	-0.6	17.24	17.50	+1.5	
Canada	0.19	+3.3	0.07	0.07	-1.1	0.57	0.59	+3.2	0.08	0.08	-4.1	0.39	0.41	+5.2	0.16	0.15	-8.3	0.21	0.21	-1.7	1.66	1.69	+1.9	
North America	2.14	-1.4	0.27	0.25	-9.3	7.90	8.15	+3.1	1.45	1.54	+6.0	3.38	3.46	+2.5	1.26	1.20	-4.7	2.51	2.50	-0.4	18.90	19.20	+1.6	
France	0.12	0.11	-6.6	0.17	-7.2	0.38	0.37	-1.6	0.09	0.09	+2.9	0.81	0.84	+3.5	0.17	0.16	-8.7	0.19	0.18	-3.9	1.94	1.92	-1.0	
Germany	0.09	0.10	+7.8	0.20	+3.3	0.73	0.74	+0.7	0.11	0.11	+1.0	1.25	1.31	+4.5	0.21	0.20	-6.7	0.25	0.25	-0.8	2.85	2.91	+2.2	
Italy	0.11	0.11	+2.6	0.07	0.08	+12.3	0.38	0.39	+2.8	0.07	0.08	+16.1	0.54	0.52	-3.7	0.58	0.57	-2.4	0.18	0.15	-17.7	1.93	1.90	-1.6
UK	0.12	0.13	+3.4	0.08	0.07	-5.1	0.56	0.54	-3.0	0.20	0.21	+6.2	0.42	0.43	+2.7	0.27	0.26	-2.3	0.16	0.16	+3.6	1.80	1.81	+0.4
Spain	0.08	0.08	-6.0	0.06	+6.8	0.21	0.21	-1.5	0.61	0.06	-4.7	0.34	0.34	-2.0	0.23	0.22	-2.5	0.13	0.12	-3.7	1.11	1.09	-2.3	
Benelux	0.10	0.09	-8.4	0.10	0.08	-16.9	0.16	0.17	+2.2	0.07	+3.8	+3.8	0.39	0.38	-2.5	0.32	0.33	+2.8	0.19	0.19	+1.9	1.33	1.31	-1.2
Scandinavia	0.07	0.08	+9.9	0.02	0.02	-14.2	0.23	0.23	-1.8	0.05	0.06	+5.6	0.35	0.35	-1.4	0.14	0.14	-0.8	0.10	0.10	-4.4	0.97	0.96	-0.8
Turkey	0.06	0.07	+11.4	0.03	0.03	-3.3	0.08	0.09	+17.9	0.02	0.02	+19.0	0.14	0.17	+21.8	0.13	0.14	+3.4	0.03	0.05	+47.8	0.49	0.57	+14.6
Other Europe	0.05	0.06	+4.0	0.03	0.03	-2.8	0.28	0.27	-2.2	0.08	0.08	-1.0	0.43	0.42	-1.6	0.26	0.25	-2.7	0.10	0.10	-2.1	1.23	1.21	-1.8
Europe	0.81	0.82	+1.0	0.77	0.75	-2.5	3.02	3.01	-0.1	0.74	0.78	+4.4	4.68	4.76	+1.7	2.31	2.26	-2.2	1.31	1.28	-2.0	13.64	13.65	+0.2
Japan	0.63	0.64	+1.9	0.49	0.49	-1.5	0.81	0.82	+2.1	0.64	0.66	+3.3	1.18	1.19	+1.0	0.88	0.82	-6.3	0.84	0.77	-9.0	5.46	5.39	-1.4
Australia/NZ	0.07	0.07	+10.6	-	-	0.34	0.35	+2.3	0.08	0.08	+6.4	0.20	0.21	+5.3	0.04	0.04	-4.8	0.12	0.13	+8.1	0.85	0.89	+4.3	
Pacific	0.69	0.71	+2.7	0.50	0.49	-1.7	1.15	1.17	+2.1	0.72	0.74	+3.6	1.39	1.41	+1.6	0.92	0.86	-6.2	0.96	0.90	-6.8	6.32	6.28	-0.6
OECD	3.64	3.64	-0.1	1.54	1.49	-3.4	12.06	12.33	+2.2	2.91	3.06	+5.0	9.45	9.63	+2.0	4.48	4.31	-3.7	4.78	4.68	-2.1	38.86	39.12	+0.7

1 Figures for 1993 are preliminary and are subject to revision.

2 Scandinavia comprises Norway, Sweden, Denmark, Finland and Iceland.

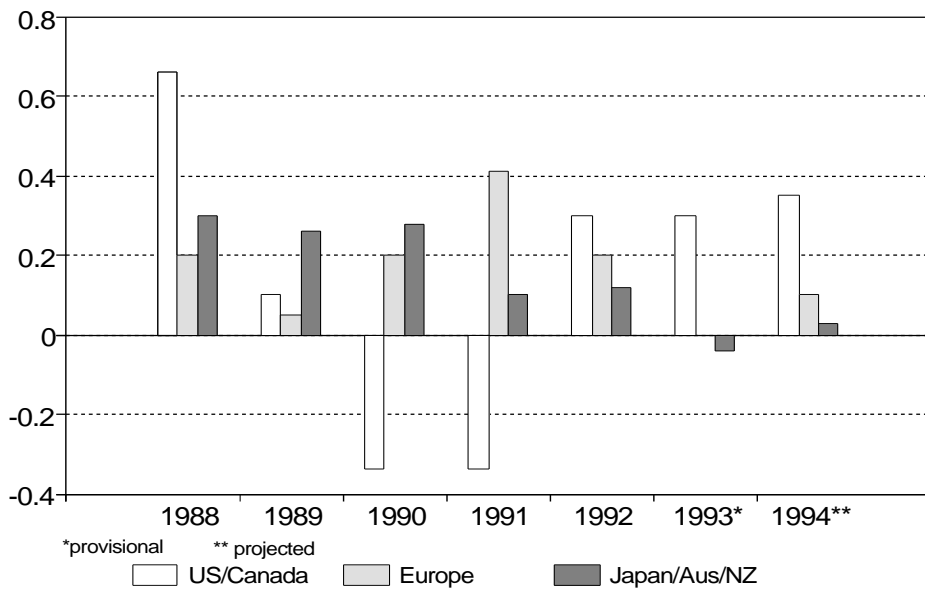
3 Demand comprises inland deliveries from refineries and primary stocks (including direct use of crude oil), international bunkers and refinery fuel.

4 Percentage changes are calculated before rounding.

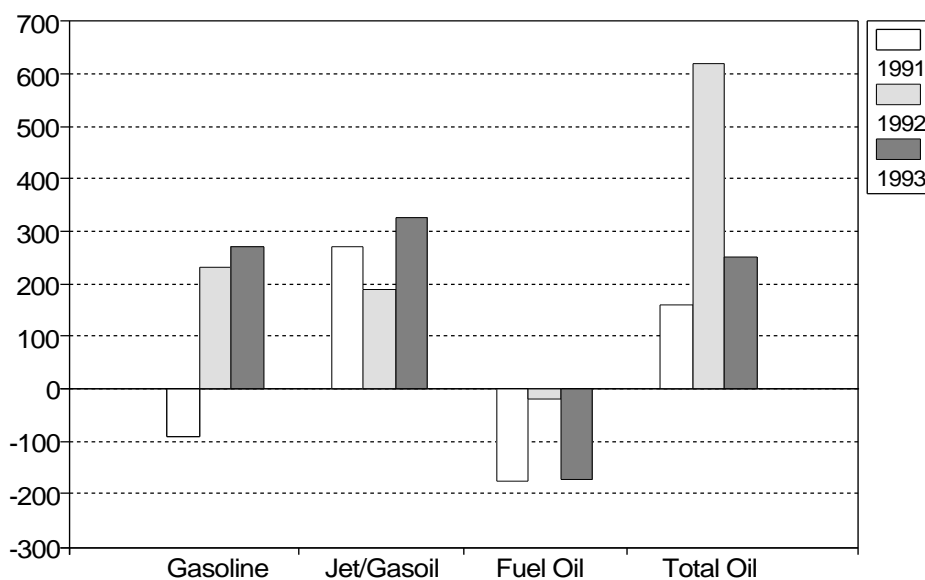
5 United States comprises the 50 states and territories (Virgin Islands, Puerto Rico, Guam). In 1992, oil demand in the US territories averaged 0.21 mb/d.

6 Figures above for US gasoline demand in 1992 do not incorporate the fuel ethanol adjustment introduced in January 1993. Expressed on the new basis, 1992 demand averaged 7.44 mb/d.

Incremental OECD Demand 1988-1994 (million barrels per day)



OECD Annual Oil Demand Changes 1991-93 (thousand barrels per day)



was attributable to heavy consumer buying ahead of the 1 January tax rises for diesel and gasoline. Diesel sales are reported to have risen 5.8 per cent in 1993 but part of this surprisingly large increase may represent gasoil destined for use as heating oil, deliveries of which increased 2.8 per cent.

The rate of growth of demand in the eastern Länder slowed slightly in 1993, from 5 per cent in 1992 to an estimated 4 per cent in 1993. Demand in western Germany grew 1.2 per cent, with the strong growth in gasoil deliveries (+4 per cent) offsetting the decline in fuel oil and other products related to weak industrial output. The larger-than-expected increase in secondary and tertiary stocks in 4Q93 and mild weather so far in 1Q94 has led to a downward revision in projected German demand in 1994 which is now expected to remain flat at 2.91 mb/d for the year as a whole, despite the assumed recovery in economic activity.

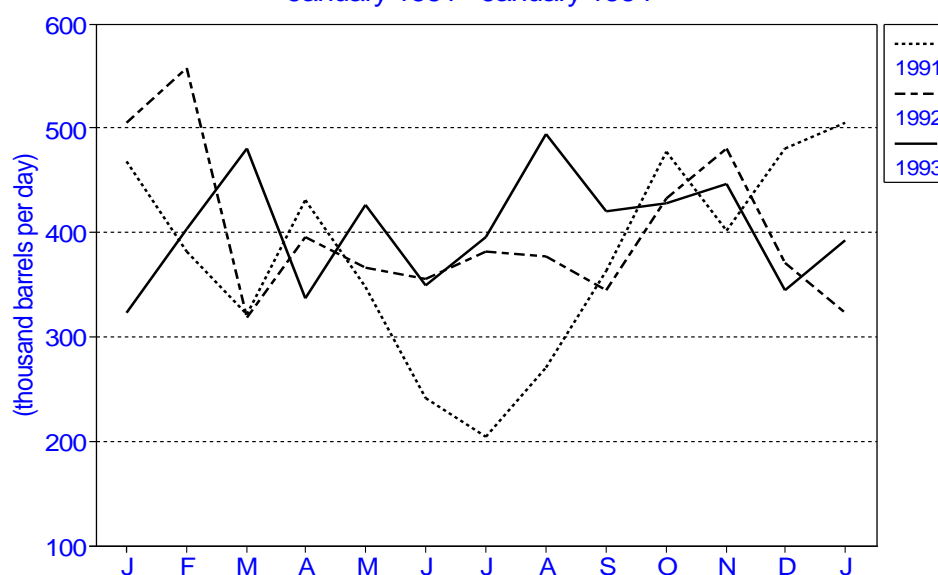
Italy

Italian oil use declined 1.7 per cent in 1993 to 1.90 mb/d under the influence of economic recession and warmer than normal weather in 1Q93. Gasoline demand showed the strongest growth among major European consuming countries, rising 2.3 per cent as diesel use (-5.2 per cent) continued to decline both in absolute terms and as a share of total road transport fuel demand. Indeed, according to preliminary official figures, annual gasoline demand in 1993 (expressed in mass) exceeded diesel demand for the first time since 1984.

Demand for residual fuel oil declined 2.4 per cent in 1993 as industrial use contracted sharply but fuel oil still represents the largest-volume product category in Italy since approximately 50 per cent of electricity output is generated from oil. Electricity demand rose 0.7 per cent in 1993 but gross domestic output declined 1.2 per cent as net imports increased. According to provisional data, deliveries to ENEL, the state utility and Europe's largest oil consumer, were almost unchanged at 404 kb/d (22.2 million tons). As the graph below shows, the seasonal variation in *deliveries* from domestic refineries and imports was much smaller in 1993 than in recent years, reflecting both the flatter monthly profile of *consumption* of fuel oil by ENEL and changes it implemented last year to its purchasing of imported fuel oil under term and spot contracts. These changes are believed to have smoothed the seasonal pattern of imports and diminished the impact of ENEL's imports on European spot fuel oil prices.

According to government estimates, the share of low sulphur fuel oil (with sulphur content less than 1 per cent weight) in the inland fuel oil market was little changed in 1993 at about 65 per cent (310 kb/d out of total inland fuel oil demand of 480 kb/d), marking a temporary halt in the shift in recent years towards low sulphur fuel oil in order to reduce SO₂ emissions. In 1987, only 8 per cent of ENEL's total demand of 365 kb/d (20 mt) was low sulphur and the average content was 2.5 per cent. By 1992, 76 per cent of ENEL's fuel oil purchases of 400 kb/d (22.2 mt) were of low sulphur grades and the average sulphur content of all fuel oil purchased was 1.1 per cent.

ENEL Fuel Oil Demand
January 1991 - January 1994



Spain

Based on provisional annual figures released in February by the Spanish industry association, AOP, product demand is estimated to have declined 2.3 per cent in 1993 after seven years of uninterrupted growth at an average rate of 4 per cent per annum, well above the European average. AOP figures show a fall of 2-5 per cent in all major product categories due to the sharp contraction of both domestic demand and industrial output last year. Gasoline deliveries were reported to have fallen an estimated 2 per cent and total gasoil deliveries by 3 per cent. However, later indications by AOP suggest that these figures may be revised to a 1 per cent decline for both product categories once more comprehensive data are released.

Annual Revisions to OECD Demand Data

This issue of the Oil Market Report incorporates minor revisions to historical oil demand in OECD countries in the period 1990-1993 following the recent submission and review of data for 1992 and, for a few countries, for earlier years as well. Estimates for 1993, for which only monthly data are currently available, have also been revised downward by about 0.04 mb/d or 0.1 per cent. The size of the revisions to aggregate regional demand is summarised in the table below.

OECD demand data presented in the Oil Market Report are based on both monthly and annual submissions from member governments. Annual data are more comprehensive since they cover all petroleum products, including those, such as petroleum coke, excluded from monthly data, and incorporate resubmissions of monthly data. Until definitive annual data are available from member countries, the IEA Secretariat bases its demand estimates on monthly submissions, adjusted to take account of "missing" products and the observed historical variances between monthly and annual data for each product category in each OECD country. The recent receipt of comprehensive annual data for 1992 has led to a revision of the estimates of demand in 1993 due to the change in the adjustments made to monthly submissions for January-December 1993.

The overall net effect of these annual revisions is small, considerably smaller than in recent years, as shown in the table below. Although there have been significant revisions, expressed in percentage terms, to individual product categories in specific countries, notably LPG in Canada, the overall effect at a regional or OECD level is minor. OECD demand in 1991 has been revised down 0.02 mb/d to 38.24 mb/d while aggregate demand in 1992 remains unchanged after rounding at 38.86 mb/d with minor downward revisions in Canada and Europe offsetting an upward adjustment of 0.04 mb/d in the OECD Pacific region, principally in Japan. All revisions to historical data are fully incorporated in Table 1.

Impact of Annual Revisions to OECD Demand 1990-3Q93

(million barrels per day)

	North America		Europe		Pacific		OECD		
	end-Jan OMR	revised	end-Jan OMR	revised	end-Jan OMR	revised	end-Jan OMR	revised	difference
1990	18.93	18.94	13.04	13.04	6.10	6.10	38.07	38.08	+0.01
1991	18.63	18.60	13.45	13.44	6.18	6.20	38.26	38.24	-0.02
1992	18.94	18.90	13.65	13.64	6.27	6.32	38.86	38.86	-
1Q93	19.04	18.99	13.76	13.75	6.99	7.02	39.79	39.76	-0.03
2Q93	18.76	18.70	13.11	13.10	5.91	5.93	37.78	37.74	-0.04
3Q93	19.50	19.45	13.66	13.65	5.64	5.66	38.80	38.76	-0.04

China

Considerable confusion still surrounds Chinese oil trade data for 1993. Annual figures released by Chinese customs authorities in early February showed net imports of crude and products of 0.19 mb/d in 1993, considerably higher than the estimate of 0.03 mb/d based on monthly figures for the first eleven months. Although the trade data are expected to be corrected, revised figures are not available at the time of writing.

Chinese imports surged in November and December as holders of import licenses sought to take advantage of weak international market prices (below domestic market prices in the case of some products) and to avoid the payment of a new 17 per cent value added tax to be introduced on 1 January, but subsequently postponed until 1 April. Since January, the Chinese domestic market has suffered from acute oversupply of crude and products with storage facilities reported to be full. This has apparently led to enforced cuts

in throughputs at domestic refineries operated by Sinopec. As a result, spot buying activity by state importers, Unipet and Sinochem, on the international market for March and April arrival has been relatively subdued since January.

Domestic oversupply and high stocks have led to government consideration of a delay in the abolition of the import licensing system, as a way of protecting the domestic refining industry which is already facing increased competition from third-party processing at coastal refineries as well as direct product imports. Abolition of the existing licensing system was originally expected this year as part of China's liberalisation programme which also envisages the lifting of domestic product price controls in 2Q94. Delays have already been reported in the issue of 1994 import licences and trade credit is said to have been restricted by state-owned banks in an effort to discourage imports in the short-term. Some form of temporary recentralisation of crude and imports in the hands of major state-owned trading companies is widely expected to take effect at some time between March and May. Published sources report that crude import licences, which are already held mainly by Sinochem and Unipet, will also be awarded on a quarterly basis rather than annually in order to ensure a more stable pattern of imports and avert the problems of oversupply seen in recent months.

SUPPLY

Preliminary Review of 1993 Supply

- Total oil supply in 1993 is estimated to have been 67.45 mb/d, 0.22 mb/d higher than in 1992 with a 0.79 mb/d increase in total OPEC oil production more than offsetting a 0.56 mb/d decline in non-OPEC supplies.
- Total non-OPEC supply in 1993 is estimated to have been 40.51 mb/d, down 0.56 mb/d from 1992. Excluding the 1.2 mb/d annual decline in the FSU, however, supply elsewhere increased by 0.63 mb/d. This reflects an upward revision of about 50 kb/d from last month's estimate for 1993 supply, due primarily to an adjustment to Chinese supply to account for oil field use. The 0.63 mb/d in non-OPEC supply outside of the FSU was substantially higher than the 0.39 mb/d annual increase in 1992.
- OECD crude supply declined slightly in 1993, as a 300 kb/d increase in North Sea production and a 60 kb/d gain for Canada were more than offset by a 340 kb/d drop in US crude production and 60 kb/d lower crude supply from elsewhere in the OECD, most notably Australia. The small decline follows two years of increasing OECD crude supply. However, when NGLs and other supply are included, as in Table 1, OECD total oil supply showed a gain of about 170 kb/d in 1993. Higher US NGL production through the first ten months of the year and the inclusion of fuel ethanol and oxygenates in other hydrocarbon supply beginning in January of 1993, added a combined 150 kb/d to US total oil supply in 1993. Canadian NGL and synthetic crude supply also increased, by 40 kb/d, in 1993, matching the rise seen in each of the previous two years.
- The growth in crude oil production in 1993 occurred in non-OECD areas. Substantial increases in Latin America, non-OPEC Middle Eastern countries and Asia are estimated to have registered a combined 340 kb/d rise in 1993. The largest increase was in the Middle East where expanding output from Yemen, Oman and Syria added 130 kb/d to world crude supplies compared with 1992. The increase follows growth of 70 kb/d and 100 kb/d in 1992 and 1991, respectively. The increase in non-OPEC Asia was nearly as large at 120 kb/d, with China accounting for the major share. Vietnam and Papua New Guinea also contributed to the increase. In Latin America, all six of the major producers showed production gains totalling 90 kb/d, the largest increase being in Argentina, with most of the remainder spread roughly equally between Brazil, Ecuador, Colombia and Peru. Mexican production for the year was only up by an estimated 5 kb/d, but recent data from PEMEX indicate that 4Q93 averaged 2.73 mb/d, nearly 60 kb/d above the annual average. Atypical of the region, crude production in Trinidad & Tobago is estimated to have declined by 10-15 kb/d last year.
- Crude production in Russia dropped by over 1 mb/d again in 1993, according to data from the Goskomstat state statistical association. The majority of the decline (54 per cent) is estimated to have occurred in the Tyumen province, with the large production associations absorbing the drop. Joint ventures managed to increase their production substantially, but still represent a relatively minor share of total Russian output. The aggregate decline was nearly 300 kb/d less than the decline experienced in 1992 and the quarter to quarter decrease in 4Q93 of 170 kb/d was the smallest quarterly drop of the year. Output from the non-Russian states of the FSU also declined, by roughly 10 per cent a combined 80 kb/d.
- OPEC crude oil production averaged 24.73 mb/d in 1993 versus 24.06 mb/d in 1992 and 22.97 mb/d in 1991 (see Table 3 in the back). Production of NGLs, which include a considerable amount of condensates due to OPEC countries reporting practices, is also estimated to have increased, by 120 kb/d. By far the largest gain in crude oil output was in Kuwait, which nearly doubled its production from 0.88 mb/d to 1.69 mb/d as it recovered from the ravages of the Gulf War. Half of the OPEC members recorded production levels about equal to 1992 levels. Saudi Arabia, Libya and the UAE saw decreases of 260 kb/d, 110 kb/d and 90 kb/d respectively, while Iraq is thought to have registered a small increase.

Non-OPEC Oil Supply

(million barrels per day)

	1990	1991	1992	1Q93	2Q93	3Q93	4Q93 ¹	1993 ¹
<i>Non-OPEC Crude Oil</i>								
United States	7.36	7.42	7.17	6.98	6.83	6.70	6.85	6.84
Canada	1.34	1.32	1.36	1.39	1.41	1.47	1.43	1.42
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	4.65	4.66	4.61	4.73	4.66
Africa	1.80	1.82	1.87	1.87	1.86	1.83	1.87	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	13.22	13.32	13.29	13.71	13.39
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	1.94	1.96
Canada	0.62	0.66	0.70	0.70	0.72	0.78	0.79	0.75
North Sea	0.22	0.24	0.26	0.30	0.26	0.28	0.36	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	4.60	4.69	4.61
<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	40.56	40.24	40.15	41.08	40.51

¹estimated

Recent Developments and Revisions

Within OPEC, relatively high levels of Nigerian exports resulted from refinery closures due to civil unrest and labour disputes. OPEC output is estimated to have been a rounded 24.8 mb/d again in February, with higher output from Nigeria being mostly offset by lower Iranian and Indonesian production. There are unconfirmed reports about the possibility of higher production levels from the UAE as well as uncertainty about the extent of the increase from Venezuela.

Non-OPEC production increases for the last two months of 1993 now appear to have been slightly larger than previously thought. Higher than expected output from the Norwegian sector of the North Sea and from several non-OECD countries, including Brazil, offset small downward revisions in estimated Colombian, US, and Russian production.

The largest revision to OECD supplies was a 190 kb/d reduction in estimated December US NGL production which was reported in the February US DOE Petroleum Supply Monthly. Although the data is still preliminary, it may reflect developments in the US gas liquids markets, discussed below, that could carry through into 1994. Crude oil supply was also unexpectedly, although temporarily, lower in Alaska in February. Preliminary data for Canada in December show lower than anticipated crude oil (-67 kb/d) and NGLs (-42 kb/d), but full details are not yet available. Production from Alberta's two synthetic crude oil plants was slightly lower than forecast in January. On the upside, Danish and Dutch North Sea production has increased faster than anticipated and projections for the remainder of 1994 have been adjusted up accordingly but the production levels are small relative to those of the UK and Norway. The firming up of maintenance schedules in the North Sea has not led to any major revisions at this point in the projections for 1994 for UK and Norwegian output. Lower January production in the UK sector was offset by higher Norwegian, Danish and Dutch production. The January UK shortfall was more than made up for in February by the early start-up and higher production level of the Nelson field.

OECD

United States

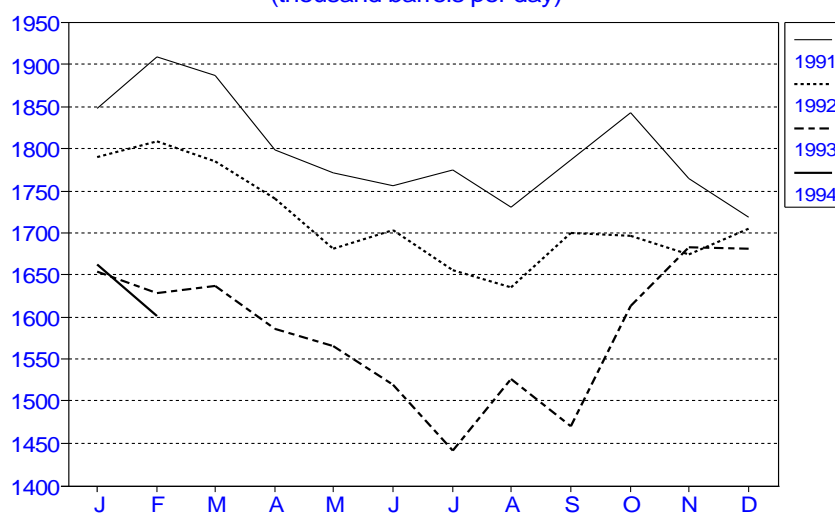
Crude oil production in the US is estimated to have averaged 6.84 mb/d in 1993, 0.33 mb/d below the 1992 level. Data are obtained from state governments with considerable, and variable, time lags and hence full

supply details are currently complete only through October. October crude oil supply data released a few weeks ago were in line with expectations at 6.82 mb/d versus 6.71 mb/d in September. With November and December production estimated to have been in the 6.87-6.88 mb/d range, 4Q93 US crude oil production was 0.16 mb/d above 3Q93, but this reflected the opposing movements in Alaskan and the Lower 48 production discussed in last month's Oil Market Report. Reported 4Q93 Alaskan production registered a quarterly increase of 0.15 mb/d while Lower 48 production is thought to have been down by about 0.13 mb/d. Further increases from Alaska later in the year are expected to result from the completion of the second phase of the GHX gas injection project at Prudhoe Bay.

The rate of decline in US oil production was expected to be slowed by four factors; higher production of natural gas liquids and increased output in the Alaskan North Slope, offshore California and new fields in the Gulf of Mexico. The first three factors appear to have seen short-term setbacks, but production in the Gulf of Mexico seems to be on track. The Augur platform is reported to be on schedule for start up in late March, and is expected to increase quickly to a 35-45 kb/d plateau level.

With regard to NGLs, December preliminary data, showed an unexpectedly low level of 1.61 mb/d, following an estimated 1.67 mb/d November level despite increased production of natural gas. The explanation may lie in the relative pricing of gas and gas liquids. Lower oil and related gas liquids prices relative to the strong natural gas pricing seen in the fourth quarter, appear to have changed the economics of liquids extraction in favour of leaving more of the gas liquids in the gas stream. This increases the volume and revenue from the natural gas and saves the cost of extraction. On the demand side, a significant portion of the gas liquids compete with naphthas as petrochemical feedstocks, where price weakness in naphthas has lowered the demand for gas liquids. The trend to lower NGL extraction could continue if the price background does not change. However, natural gas production is expected to be unusually high during the summer to help build stocks drawn down to historically low levels by the persistent cold weather in the eastern and central US this winter.

Alaskan Crude Oil Production 1991-1994
(thousand barrels per day)



Alaskan production is estimated to have declined by roughly 60 kb/d in February to 1.60 mb/d from January's 1.66 mb/d due to storms in the Gulf of Alaska that forced the closure of the Valdez port, constraining the throughput of the pipeline from the North Slope. This month, production from the Point Arguello field, offshore California is expected to be down by 10 kb/d because of a scheduled turnaround in a local Santa Maria refinery. Earthquake damage to pipelines to Los Angeles and the expiration of a permit to allow offshore loading have temporarily tied output to the small local market.

Canada

Canadian crude oil supply estimates from Statistics Canada were slightly higher (12 kb/d) in November than preliminary estimates, but December data showed nearly 70 kb/d lower than anticipated Canadian supply. Production estimates for September and October were revised downward as well, by 8 kb/d and 31 kb/d, respectively. The revisions primarily involved lower Saskatchewan heavy and medium crudes and

NGLs. Data from Alberta's Energy Resources Conservation Board for synthetic crude oil production in January were about 20 kb/d below expectations, but above January 1993 output.

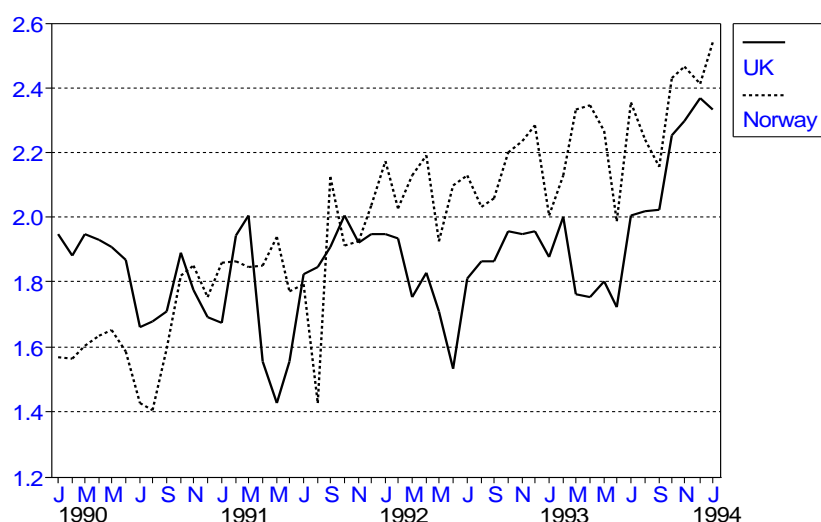
The outlook for 1994 for Canadian oil supply is mixed, with expected better synfuels performance and reduced shut-ins due to pipeline bottlenecks being countered by lower drilling activity and natural declines in mature conventional reservoirs. Production of light and medium crudes in Alberta is likely to be up year-on-year in the first quarter, but is then expected to drop below 1993 levels for the remainder of the year. In 1993 production lagged for the first eight months of the year, before moving up over 700 kb/d during the last four months of 1993. Saskatchewan heavy and medium crudes have been showing continuous, year-on-year increases for the last two years. However, that trend is expected to be broken in early 1994 and output is thought likely to stay in the 155-175 kb/d range throughout the year versus levels over 180 kb/d through most of the second half of 1993. Production of bitumens in Alberta showed a steady decline through the last seven months of 1993 and is expected to hold those lower levels during 1994. Production from British Columbia and the smaller volume grades in the rest of Canada saw sharp increases in August and September of 1993, but then fell precipitously in October and November. The projection is for less volatility and somewhat lower average levels in 1994. NGL production is expected to be aided by high demand for Canadian gas, needed by the US to replenish storage run down during the cold weather this winter.

North Sea

January production in the **UK** sector was about 30 kb/d below the levels estimated last month, as lower production from Forties system fields and fields with offshore loading facilities offset higher than expected Flotta system and Brent system production levels. Problems in the Forties system were centred on the new Tiffany and Toni fields where a gas leak and malfunctions of the gas flare system caused reduced output from the two linked platforms. The difficulties led to a 16 kb/d decline between December and January. Among the offshore-loading fields, the Petrojarl floating production vessel lost anchor and operations at the Hudson field were suspended. For the month, about 10 kb/d were lost due to the outage.

Countering the January shortfall, was a better than expected production level in February. The Nelson field started up on 18 February, slightly ahead of recent scheduling and three months in advance of the initial start-up date. Production reached 60 kb/d by the first week in March, about 20 kb/d above projected full March output and 10 kb/d above April. Nelson is expected to reach full capacity of 138 kb/d in the third quarter, but actual production levels will be subject to weather conditions and any unexpected operational problems. As has been the case with a number of recent fields starting up in the UK North Sea, the pattern with Nelson was for production to start earlier and increase more rapidly than planned. Because of the accelerated production profile for Nelson, the estimates for first and second quarter UK offshore production have been raised slightly, by 20 kb/d and 10 kb/d respectively.

UK/Norwegian Crude Oil Production 1990-1994
(million barrels per day)



Norwegian output in January increased substantially despite storm-related outages at several key fields with offshore loading systems. Statfjord lost the equivalent of 40 kb/d of monthly average output but still managed to produce 590 kb/d, 20 kb/d more than December 1993 and 55 kb/d above last month's forecast. Similarly, Gullfaks exceeded December's level by about 15 kb/d versus an expected decline of more than four times that amount.

Denmark's output in January reached 197 kb/d and offshore crude oil output from the **Netherlands** maintained the 59 kb/d level reached in December, which was more than double production in the first half of 1993.

Australia

Australia produced an estimated 473 kb/d of crude and condensate in December, up about 10 kb/d from November and 55 kb/d above a depressed October level. The increase was split between the recovery in Gippsland Basin Bass Strait production and better production levels from two older fields in the Carnarvon Basin, the North Rankin condensate field and Thevenard Island. Production from the new Wandoo field, which started up in October, held at 6 kb/d.

Production is expected to increase with the onset of sustained production from the new Carnarvon Basin 70 kb/d Griffen field and the return of 20 kb/d from the Bonaparte Basin's Jabiru field in the Timor Sea, following extended maintenance work that started last autumn. Continued high levels of exploratory and development activity on the Northwest Shelf provide a basis for some optimism about oil supply prospects for 1994 and beyond. The table below details the mix of Australian production by Basin, depicting the counter-trends between the mature areas; the Gippsland, Cooper, and Eromonga basins and the upward trends expected in the Bonaparte and Carnarvon Basins off the north and northwestern coasts of Australia.

Australian Oil Supply 1992-1994

(thousand barrels per day)

	1992	1993	1994	1Q93	2Q93	3Q93	4Q93	1Q94	2Q94	3Q94	4Q94
<i>Crude Oil</i>											
Gippsland Basin	292	301	275	295	321	311	279	275	272	265	260
NW Shelf	36	45	111	44	45	47	45	76	112	126	127
Bonaparte Basin	67	40	43	49	49	40	24	44	44	43	41
Other Crude Oil	138	107	102	112	114	100	104	107	103	99	98
Total Crude	534	494	530	500	529	498	451	503	531	532	526
NGLs	64	63	57	56	67	68	59	59	58	56	55
Total Oil Supply	598	557	588	556	596	566	510	562	589	588	582

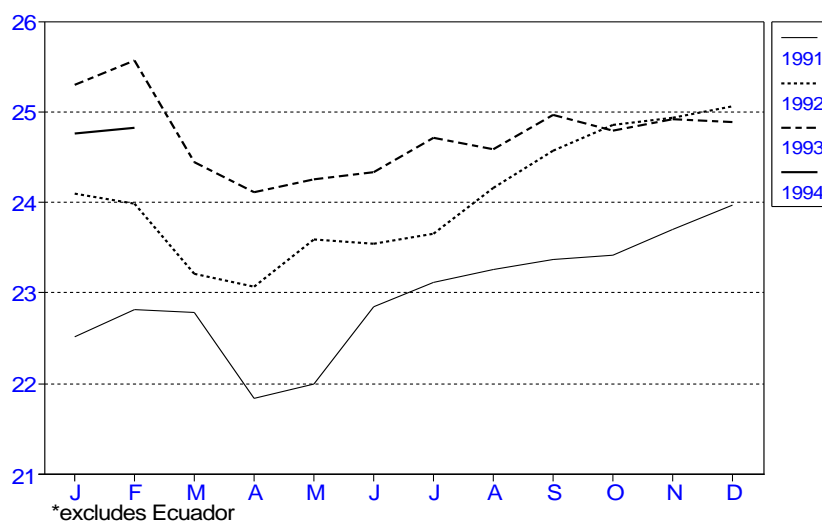
OPEC

OPEC production for February is estimated to have been 24.79 mb/d, with higher output from Nigeria and Venezuela only partly offset by lower production from Iran, Qatar and Indonesia. **Saudi Arabia** and **Kuwait** appear to have held production at 7.8 mb/d and 1.8 mb/d, respectively, while their shared **Neutral Zone** output remained at 360 kb/d. Output from the **UAE** is thought to have remained unchanged, at 2.15 mb/d, although there have been unconfirmed reports of higher levels, possibly coming from the Upper Zakum field.

More of the estimated higher levels of **Nigerian** crude and condensate production has been going into export markets, as strikes and related civil disturbances at the nation's four refineries have significantly reduced domestic crude runs. The 150 kb/d Port Harcourt refinery may have sustained damage during the near riots there, and remained shutdown for nine days. Two other Nigerian refineries were forced to close down as well and the remaining Warri plant was running at 55 kb/d, less than half of its 125 kb/d capacity, and is now due for extended maintenance. Local crude runs were at times reduced by as much as 400 kb/d resulting in a corresponding increase in volumes available for export.

Weather problems and field maintenance appear to be constraining current production in **Qatar** and **Iran**. Work on the Qatar Marine offshore field was hampered by bad weather and floods in Iran may have caused difficulties with surface equipment in its large on-shore fields. **Indonesian** production is thought to be down slightly as well from 1.33 mb/d to 1.30 mb/d, despite better demand in Asian oil markets, particularly from Japan.

OPEC* Crude Oil Production 1991-1994 (million barrels per day)



Former Soviet Union (FSU)

Production

Russian production in January is reported by Goskomstat to have been 6.5 mb/d (27.5 mt) in January, up 0.06 mb/d from December but 0.70 mb/d below the level in January 1993. The pattern of a slowdown in the rate of decline is evident in the fact that in 15 of the last 17 months the year-on-year decline has been smaller. The declines are now less than half of the levels in mid-1992; 0.70 mb/d compared with 1.45 mb/d in July of 1992. The trend of a softening rate of decline in Russian production is projected to continue in 1994, with an average 0.55 mb/d drop to 6.10 mb/d from 6.65 mb/d in 1993. Similar trends are expected to occur in the non-Russian republics as well, where a decline from slightly over 800 kb/d to 765 kb/d is projected.

Exports

FSU exports of crude and products in January declined to an estimated 1.5-1.6 mb/d (including 1.2 mb/d of crude) from 2 mb/d in December as the effects of the usual seasonal increase in domestic oil use were exacerbated by administrative delays in allocating export quotas and issuing new licences. Both seaborne and pipeline flows are thought to have recovered in February as administrative issues have gradually been resolved, not always to the satisfaction of those producing regions whose export quotas have been cut or to those Russian companies whose *direct* access to the export market has been denied by the suspension of their export licences. Crude deliveries by pipeline to central Europe (Hungary, Poland, the Czech Republic and Slovakia) were scheduled to have risen in February to more than 550 kb/d in order to compensate for the disruptions which cut January deliveries to less than 400 kb/d. In spite of the closure due to bad weather of the main export port of Novorossisk in mid-February, trading sources indicate an increase in vessel sailings over the month and increased availabilities of Urals crude from the Black Sea for March loading.

Assuming a recovery in total exports (including pipeline movements), to more than 2 mb/d in March, projected 1Q94 *net* exports remain unchanged at 1.8 mb/d, with possible upward revision if the expected fall in domestic Russian throughputs exceeds expectations. The Russian Economics Ministry recently revised up its projection of authorised crude exports outside Russia to all destinations in 1Q94 from 2.1 mb/d (26 mt) to 2.4 mb/d (30.2 mt) to reflect lower deliveries to Russian refineries and rapidly falling domestic oil use, following colder than normal weather in 4Q93 in European Russia.

Imports

There are indications that oil *imports* into the former Soviet Union are rising gradually from a very low level, despite severe financing constraints, as the former Russian-dominated supply system is replaced by more commercially-oriented trade arrangements between republics. In 1993, imports are estimated to have been less than 100 kb/d and probably no more than 50 kb/d. Most of the emerging imported product flows are into non-Russian republics, principally the Baltic states and the southern republics of Ukraine and Moldova. Russian product imports are still negligible, merely 10 kb/d (0.45 million tons) in 1993, mainly of jet fuel, according to Goskomstat. Reduced crude deliveries from Russia to Ukrainian refineries since

4Q93 due to non-payment of outstanding debts has led to an increase in deliveries of clean products into Ukrainian Black Sea ports from the international market, supplementing the regular small-volume flows from adjacent countries such as Romania into Moldova and the Ukraine since 1992. The Baltic states began in 1991 to import finished products from external, mainly Scandinavian, sources but deliveries of product from Russia and the Lithuanian refinery of Mazeikiiai remain the dominant sources of supply. OECD export trade statistics indicate that in 1993 such product imports into the Baltic states averaged less than 10 kb/d.

Other Non-OPEC

Latin America

Brazilian production set another new record in February at 723 kb/d, as new wells in the Campos Basin came on stream. It now appears that Brazil is likely to reach its goal of averaging 720 kb/d for 1994 versus 643 kb/d in 1993. **Colombian** data for December showed a decrease to 440 kb/d from 475 kb/d in November. A Christmas offensive by guerrillas was initially reported by the government to have had only a limited effect on Colombian production, but it now appears that the disruptions caused by repeated bombings of the pipeline from Cano Limon to the Coast were more extensive than previously thought. December was the first month of intensified surveillance of the pipeline funded by a doubling of the "security tax" placed on Colombian production. **Mexican** production rose by 15 kb/d in December to 2.74 mb/d and NGLs increased by 10 kb/d to 480 kb/d. Countering the recent trend to increase Olmeca's share of total crude oil exports, Olmeca exports declined by 50 kb/d which was offset by an equal increase in Isthmus blend exports, keeping total crude oil exports level at just under 1.34 mb/d.

China

Chinese production finished the year on a strong note, exceeding plan for nearly all areas. Particularly impressive was the performance of the offshore fields which increased production from under 80 kb/d in 1992 to 95 kb/d in 1993. Plans are for an expansion in offshore production to nearly 110 kb/d this year and 160 kb/d in 1995. Total Chinese crude oil production is projected to increase from 2.85 mb/d in 1993 to just under 2.95 mb/d in 1994, as additional oil from western China and the offshore augments stable production from the three largest fields. Two of the three biggest producing fields, the 665 kb/d Shengli field and the 290 kb/d Liaohe field, are adding significant capacity in shallow waters adjacent to the onshore portions of the fields and are now expected to be able to maintain or possibly expand production. Ongoing development work at the giant Daqing field is expected to keep production at 1.1 mb/d.

Other Non-OPEC Asia

Data from Malaysia's Central Bank show a recovery in crude oil output from a little under 600 kb/d in August 1993 to 645 kb/d in September. However, output in 4Q93 is estimated to have dropped back to the 625 kb/d level. Better demand in Asian markets may lead to increases in Malaysian production. Based on data received in the last month, Vietnam production estimates have been raised slightly for 4Q93 and 1994. No changes have been made to data or projections for India, Brunei or Papua New Guinea.

Africa

African oil supply is expected to increase modestly this year after registering a small decline in 1993 due to political unrest in Angola and possible production difficulties in older Egyptian fields. The smaller producers Cameroon, Tunisia, and Zaire are not expected to have a major impact on total African oil supply growth in 1994, but Tunisia, which has a relatively large estimated resource base with 1.7 billion barrels of oil reported reserves primarily in the Gulf of Sidra off Sfax, has the potential to increase production in the longer term. Likewise, additional offshore development in the Gulf of Guinea off Benin, Ivory Coast, Congo and Zaire could add to future African production. However, as can be seen in the table below, these countries are currently very small producers and would require considerable investment to develop the offshore potential. South Africa recently became a producer of crude oil, about 4 kb/d in 1993, to augment roughly 125 kb/d of synthetic crude oil from coal at the Sasol liquefaction plants and about 30 kb/d from the Moss gas plant that synthesises light oil products from natural gas. There are also significant reserves, 300 million barrels, in the central Sudan that may eventually be developed and exploration is going on in Chad and offshore Namibia.

African Oil Supply 1991-1994

(thousand barrels per day)

	1991	1992	1993	1Q93	2Q93	3Q93	4Q93*	1994*
<i>African Crude Oil Supply</i>								
Egypt	872	881	905	910	910	910	888	879
Angola	498	535	504	512	507	471	527	549
Congo	157	176	189	185	185	190	195	200
Cameroon	151	137	130	130	130	130	130	125
Tunisia	108	107	101	103	103	100	100	100
Zaire	27	24	23	23	23	23	23	22
Other **	6	6	5	7	7	8	8	9
Total Crude Oil	1819	1866	1857	1870	1865	1832	1891	1885
<i>African NGL Supply</i>								
Egypt	43	46	55	55	55	55	55	58
Tunisia	4	4	4	4	4	4	4	4
Total NGLs	47	50	59	59	59	59	59	62
South African Synfuels	101	103	128	128	128	128	128	125
Total African Supply	1967	2019	2044	2057	2052	2019	2058	2072

* estimated

** Benin, Ivory Coast, and Morocco and South Africa.

Non-OPEC Middle East

Production is increasing rapidly in the **Yemeni** Masila field which reached 135 kb/d in January despite the strife between factions from the former Yemen Arab Republic (northern Yemen) and the Democratic Republic of Yemen (southern Yemen). Total production from Masila, the larger Marib complex and the small 5 kb/d Shabwa Block is reported to have averaged 335 kb/d in January. There does not appear to be evidence of any Yemeni production restraint, as exports have grown in line with output reaching an estimated 270 kb/d in January. Evidence suggests that **Oman** continues to produce around 770 kb/d, in line with its commitment to a five per cent production cut for the first quarter, while **Syrian** production remains in the 550-560 kb/d range.

OECD STOCKS

Final US DOE data for December has resulted in a very substantial adjustment to preliminary data for end of December stocks shown in last month's report. This has increased the US stockdraw for December by 0.9 mb/d from 0.5 mb/d to 1.4 mb/d. The 1.4 mb/d reported in the Monthly Oil Statistics (MOS) is consistent with the DOE's Product Supply Monthly (PSM) stockdraw of 1.2 mb/d, the difference reflecting definitional differences between the MOS and the PSM such as the inclusion of the US territories in the MOS data. The new end of December total stock level is, however, significantly below the preliminary data in the DOE's Weekly Petroleum Status Report (WPSR) and therefore using the stockdraw in the WPSR, as the DOE normally does in preparing preliminary estimates, leads to an end of January total stock level which is also well below the equivalent WPSR level. It should be noted that the WPSR stockdraw is broadly in line with API estimates but nonetheless there is clearly the possibility of upward adjustment to the preliminary January stocks shown in this report when actual data becomes available.

On this basis, the preliminary estimate of the total OECD industry stockdraw in December of 1.7 mb/d has been increased to 3.0 mb/d. In January, preliminary estimates indicate a total industry stockdraw of 0.7 mb/d with very different stock patterns in the three regions as shown in the table below. In Europe, total oil stocks rose by 0.7 mb/d primarily due to an atypical increase in distillate stocks reflecting the low level of demand. As a result, total European industry stocks were below the unusually high level of a year earlier but well above levels at the end of January in 1991 and 1992. Total Pacific stocks increased slightly, also contrary to normal January stock developments. At the end of January, while total industry stocks were lower than a year earlier, total stocks including Japan's growing share of crude stock under government control were 1 mt higher. In contrast, North American stocks declined by 1.4 mb/d, reflecting high demand induced by the cold weather. The preliminary estimate of end of January stocks at 133 mt is 5 per cent lower than a year earlier. The greatest difference in stock levels compared with a year earlier was a 3.6 mt or 14 per cent reduction for distillate, the product for which demand was most affected by the cold weather.

Preliminary Industry Stock Changes in January (mb/d)

	North America	Europe	Pacific	Total
Crude Oil	-0.2	-0.1	0.0	-0.3
Gasoline	0.3	0.3	0.1	0.7
Distillates	-1.1	0.4	-0.1	-0.8
Fuel Oil	-0.1	0.0	0.0	-0.2
Total Oil	-1.4	0.7	0.1	-0.7

To assist in explaining the large stockdraw in December compared with that in November and January, the table below shows the breakdown of stock changes in November, December and January between crude and feedstocks, and products. It will be seen that a significant part of the difference between the stockdraw in December and that in November and January is due to changes in stocks of crude and feedstocks. The monthly pattern of product stockdraw is in part explained by the fact that total OECD demand in December is estimated to have been 1.1 mb/d higher than in November and 1.5-2.0 mb/d higher than in January.

Total OECD Stock Changes in January (mb/d)

	November	December	January
Crude and Feedstocks	-0.4	-1.4	0.0
Products	-0.3	-1.6	-0.7
	-0.7	-3.0	-0.7

As shown in Table 6, stocks at the end of 1993 represented 93 days of forward consumption, unchanged from a year earlier. The table shows that there has been little change in total stock levels since 1985 but an increase in government-controlled stocks at the expense of industry stocks.

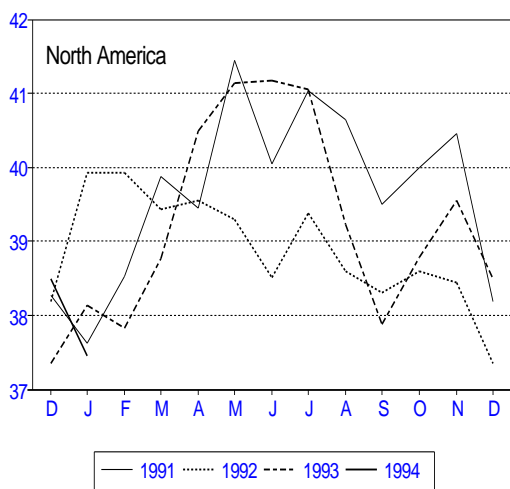
In **North America**, crude oil stocks fell by 0.2 mb/d with sharply lower US imports offsetting the reduction in refinery throughputs. Gasoline stocks continued to rise seasonally, increasing by 0.3 mb/d, with lower demand more than offsetting lower production. By the end of the month, gasoline stocks were close to the level of a year earlier. MTBE stocks, which have been following a lower inventory profile this winter than last, continued to be drawn seasonally. Distillate stocks continued to fall sharply, reflecting the high level of demand and lower crude runs. By the end of the month, distillate stocks were 3.6 mt or 14 per cent below end of January 1993 levels. Fuel oil stocks also continued to fall, declining by 0.1 mb/d, consistent with lower refinery production. Preliminary US DOE data indicate that, in the first 25 days of February, US industry stocks fell by 0.9 mb/d with stockdraws of 0.5 mb/d, 0.3 mb/d, 0.2 mb/d and 0.1 mb/d for distillate, crude oil, gasoline and fuel oil respectively.

European crude stocks fell by 0.1 mb/d in January and at the end of the month were 1 mt higher than a year earlier. Gasoline stocks continued to increase seasonally, rising by 0.3 mb/d to end the month at the same level as a year earlier. For the second year in succession, distillate stocks rose in January, increasing by 0.4 mb/d with weak demand more than offsetting the effect of lower refinery throughputs. At the end of the month, stocks were 1.5 mt below last year's high level with stocks lower in Germany, Italy and France but higher in the UK. It should be noted that, although total distillate stocks were lower than last year, they were appreciably higher than the level reached at the end of January in 1991 and 1992. Fuel oil stock levels were essentially unchanged and ended the month 5 per cent below last year's level.

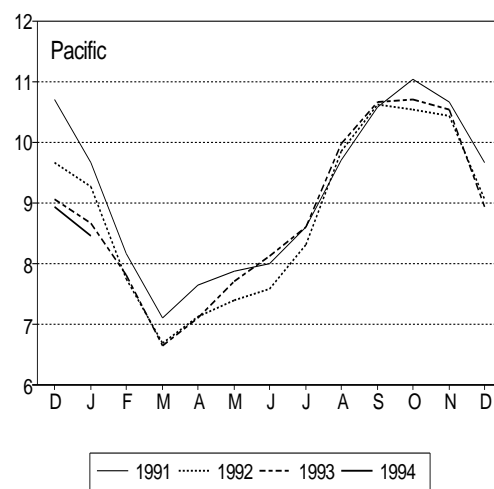
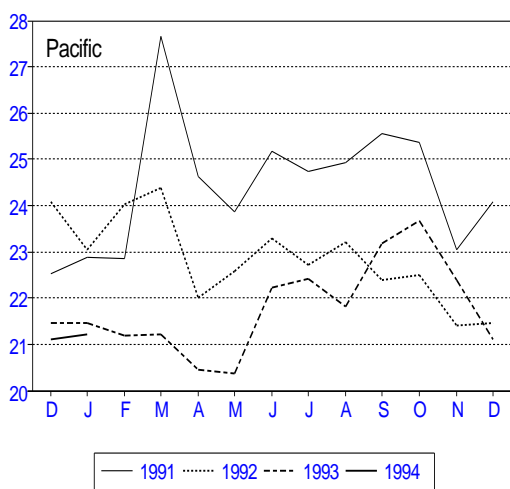
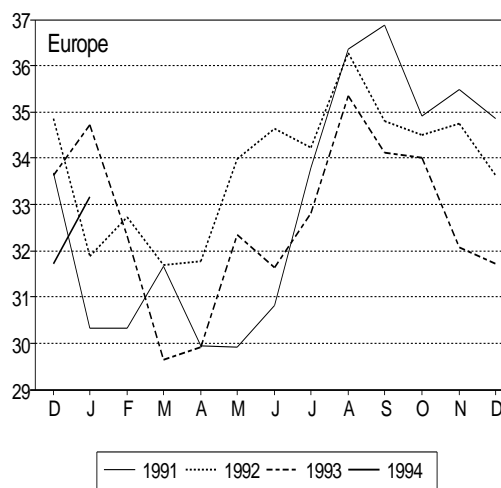
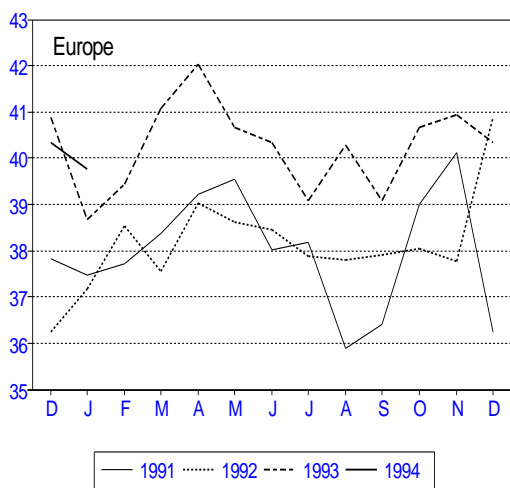
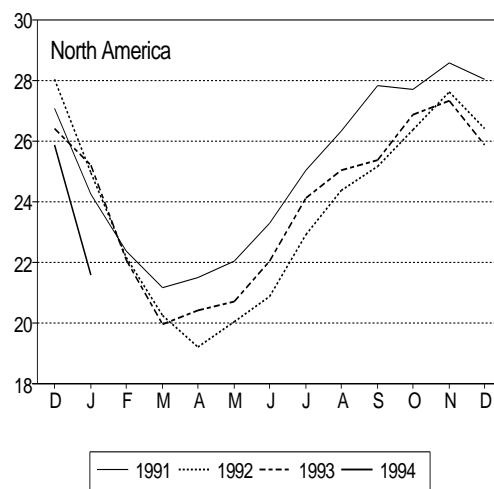
In the **Pacific**, industry crude oil stocks were also essentially unchanged during January and ended the month close to last year's level. However, Japanese government-controlled stocks continued to build, increasing by 0.1 mb/d to end the month 3 mt above the level recorded a year earlier. Following stockdraws in November and December, gasoline stocks increased by 0.1 mb/d reflecting seasonally weaker demand which more than offset lower production in Japan. Stocks at the end of the month were at essentially the same level as in January of the past three years. Distillate stocks continued to decline seasonally, decreasing by 0.1 mb/d. At the end the month, total distillate stocks were close to last year's level although kerosene stocks were 9 per cent lower. Fuel oil stocks continued to be reduced from the high level reached at the end of September 1993. The reduction reflected lower production consistent with lower refinery throughputs. By the end of the month, stocks were below previous years' levels for the first time since June.

OECD Industry End Month Stocks (million metric tons)

Crude Oil

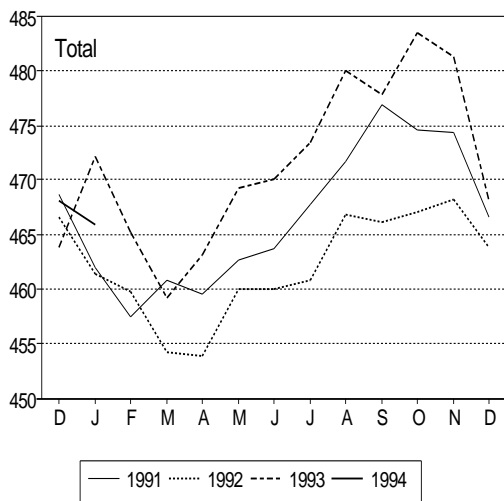


Middle Distillate

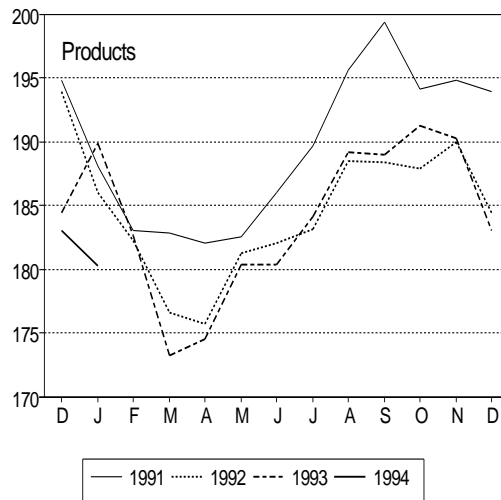
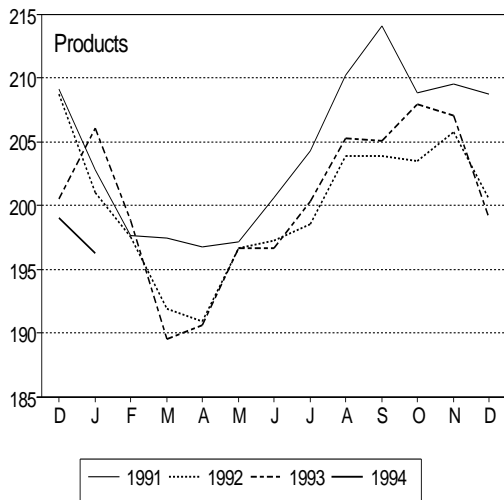
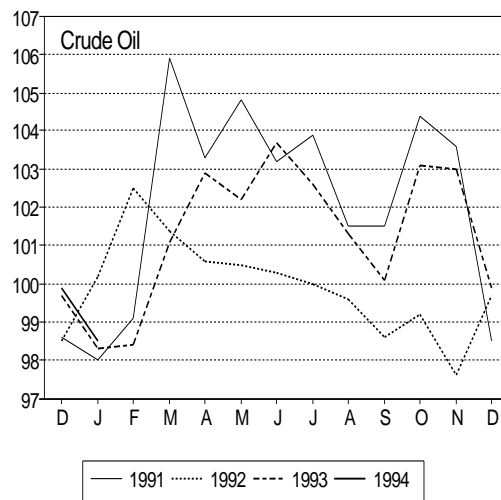
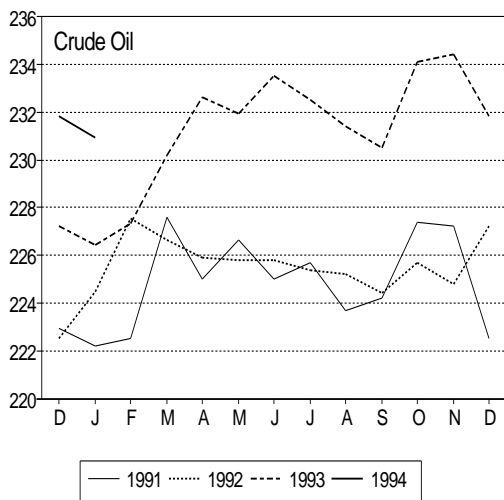
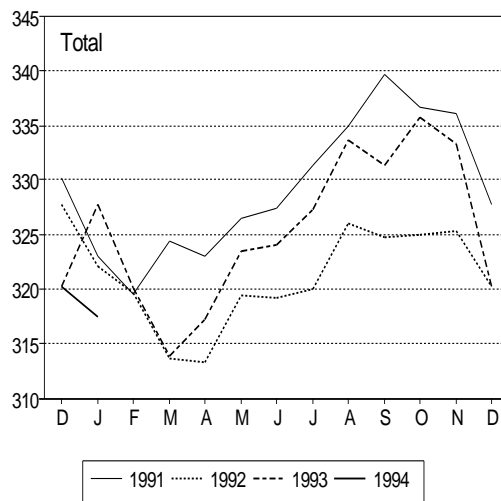


OECD End Month Stocks (million metric tons)

Total Stocks



Industry Stocks



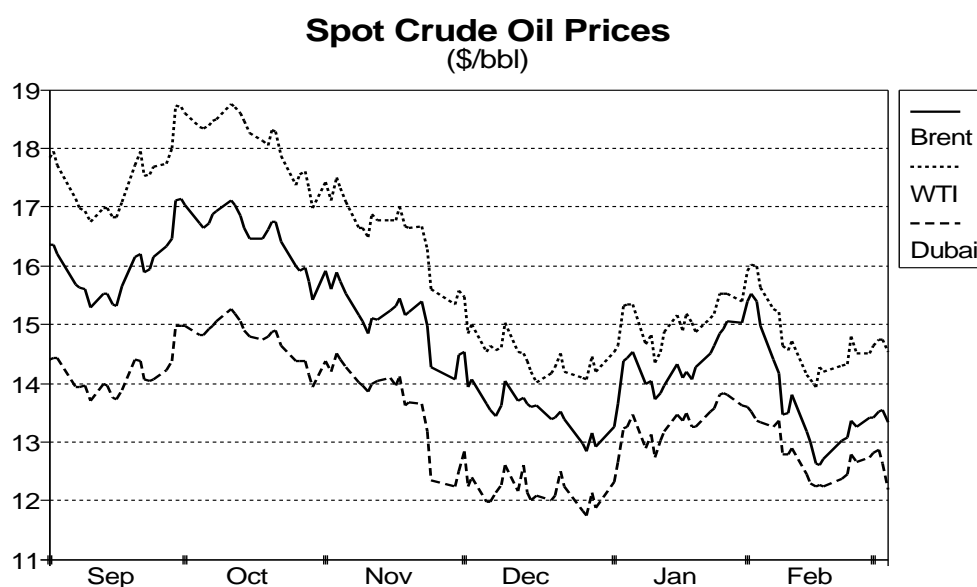
PRICES

CIF Crude Import Costs

Table 7 shows that the weighted average CIF cost for crude imported into IEA countries in December was \$13.68/bbl, \$1.40/bbl lower than the November figure. The average 1993 import cost is estimated to have been \$16.39/bbl, \$2.10/bbl lower than in 1992. The weighted average CIF prices are estimated to have been \$13.30/bbl in January and \$13.40/bbl in February.

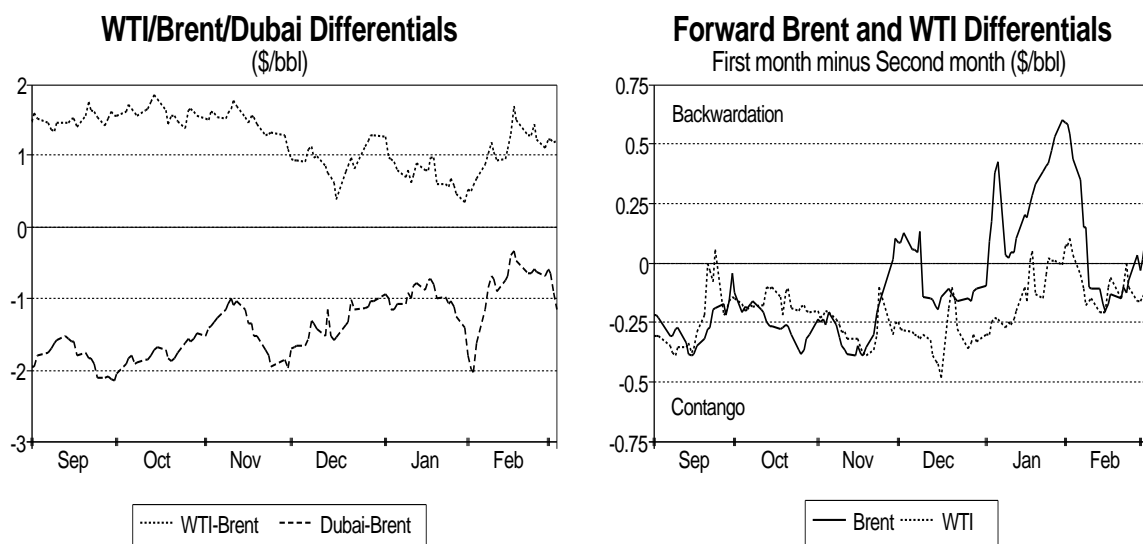
Spot Crude Oil Prices

Prices of Brent and WTI crudes, which increased during most of January, peaked at the beginning of February, consistent with high demand by refiners for prompt crude supplies, and then decreased very sharply for the first half of the month with the Brent price decreasing from \$15.40/bbl to \$12.60/bbl, the lowest level since November 1988. The declines in crude prices reflected the anticipation of the end of the cold weather as well as a recovery in Russian crude exports and lower prompt demand due to heavy turnarounds in both Europe and the US. Crude prices recovered slightly in the second half. In February, dated Brent averaged \$13.73/bbl, \$0.55/bbl lower than in January.



The WTI/dated Brent differential, which narrowed at the end of January to \$0.35/bbl as Brent increased more significantly than WTI, widened in the first half of February, reaching \$1.69/bbl in the middle of the month as the dated Brent price fell more sharply than the WTI price. The wider price differential in the second half of the month provided an arbitrage opportunity to move North Sea crudes into the US. The dated Brent/Dubai differential, which continued to widen early in the month to more than \$2/bbl consistent with the sharp increase in the dated Brent price, narrowed markedly in the first half of February to \$0.34/bbl, the lowest differential since March 1988, reflecting a strong demand for Dubai from India coupled with the relative tightness of sour crude in Europe and the US. Saudi Arabia increased its term prices of heavier crudes again this month relative to their lighter crudes in response to the higher spot prices of heavier crudes. The relative tightness of Middle East crudes made it economical to move some West African crudes, the prices of which are linked to Brent crude, to the Far East and several cargoes of West African crude were reported to have been purchased by Asian refiners, mainly in Korea. In Europe, the price differentials between dated Brent and other sour, heavier crudes such as Russian Urals and Iranian crudes, remained little changed during the month at narrow levels, despite some recovery of Russian exports, as significantly higher production of North Sea crudes this year continues to keep the light sweet crude supply relatively more abundant. The relative tightness of sour, heavier crudes also continued in the US with the WTI/ANS differential, which had narrowed significantly in January, narrowing slightly more in February.

In Asia, prices of Malaysian Tapis and Indonesian Minas both increased significantly relative to the Brent price in the first half of February with Brent/Minas and Brent/Tapis differentials reaching the widest levels



since last May and January 1992 respectively (see graph). The relative strength of Minas at a time when the prices of most other crudes were falling reflected strong Chinese demand ahead of its New Year celebrations and an expected recovery of demand for direct burning from Japan where fuel oil inventories at the end of January finally decreased to a level lower than a year earlier for the first time since June. The relative increase in the Tapis price was consistent with strong regional demand including a large demand for a new 100 kb/d Malaysian refinery which is expected to come into operation in April. However, relative prices declined in the second half, in part reflecting low purchases by China where stock levels are high.

The price differential between prompt delivery and forward delivery in the Brent market changed markedly in February. The price for prompt delivery, which became increasingly higher than for forward delivery (backwardation) towards the end of January, reached a differential of \$0.59/bbl in early February, the highest level since April 1991, but then declined very sharply to a level lower than for forward delivery (contango) in the first half of January. The changes reflected technical factors as well as anticipation of the end of the cold weather in the US. The WTI market also moved from backwardation to contango while the Dubai market remained in backwardation throughout the month, consistent with the relatively tight market for sour, heavier crudes.

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

						Week ending:				
	Dec	Jan	Feb	Change	28 Jan	04 Feb	11 Feb	18 Feb	25 Feb	04 Mar
Brent Dated	13.56	14.27	13.73	-0.55	14.79	15.26	13.86	12.82	13.18	13.44
Dubai	12.18	13.28	12.80	-0.47	13.70	13.49	13.01	12.29	12.56	12.64
WTI	14.49	15.04	14.79	-0.25	15.37	15.79	14.88	14.13	14.48	14.63
Brent over Dubai	1.38	1.00	0.92		1.09	1.77	0.85	0.53	0.62	0.80
WTI over Brent	0.93	0.77	1.07		0.57	0.53	1.02	1.31	1.31	1.19
Brent 1st month minus 2nd month	-0.07	0.25	0.07		0.44	0.55	0.09	-0.16	-0.11	0.04

Spot Product Prices

With the exception of distillate prices in Europe and Singapore, monthly average spot prices of all major products in the three major markets increased in February, with gasoil and low sulphur heavy fuel oil prices in the US increasing by more than \$2/bbl.

The **gasoil** price in the US, which had increased significantly during January, increased further in early February reflecting the continuing cold weather in the eastern seaboard of the US at a time when flexibility to increase refinery production was limited by refinery maintenance. The sharp increase in the gasoil price

resulted in the gasoil/gasoline differential reaching \$7.72/bbl, the highest level since January 1990. However, the gasoil price declined in the middle of the month by more than \$5/bbl consistent with the ending of the cold weather and the approaching end of the winter, the high demand period for gasoil (see graph). Gasoil prices in Europe and Singapore decreased gradually during the month, in part reflecting the end of high demand season in Europe. The price differential between the US and Europe widened sharply from minus \$2/bbl in early December to close to \$7/bbl in mid-February, the highest level since January 1990 (see graph).

Prices of **low sulphur heavy fuel oil (LSFO)** in the US also continued to increase at the beginning of February. However, prices remained little changed during the middle of the month before declining towards the end consistent with the end of the high electricity demand which had been caused by the cold weather in the eastern seaboard. In Europe, the differential between low sulphur fuel oil and high sulphur fuel oil decreased significantly (see graph), consistent with the narrowing differential between sweet and sour crude and a lower level of spot LSFO purchases for delivery to the Italian power company, ENEL. In Singapore, the HSFO price decreased in February partly reflecting low Chinese purchases, and widened the low sulphur waxy residue/HSFO differential. The Russian **E-4 feedstock** premium over European HSFO decreased sharply in February as the price of HSFO increased, and reached \$4/t at the beginning of March, the lowest level since June 1989. A significant increase in the refinery hydroskimming margin in Europe due to sharp crude price declines encouraged refiners to process crude, making feedstocks less attractive.

The price of **gasoline** in the US increased at the beginning of February consistent with the reduced production which reflected the heavy refinery maintenance coupled with increased production of distillates at the expense of gasoline in response to cold weather. The higher price in the US resulted in the widest price differential between Europe and the US since September 1992, providing an arbitrage opportunity to move gasoline to the US. The US gasoline price, which peaked at the beginning of the month, decreased in the first half of the month, falling briefly below the LSFO price in mid-February, and then increased again in the second half consistent with a lower stock level compared to a year earlier. The gasoline price in Singapore increased in the first half of February reflecting strong regional demand, and became higher than the gasoil price for the first time since early October.

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
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
Feb 94	16.54	18.38	20.01	18.97	23.00	20.59	13.32	17.57	11.55
Change over month	0.58	0.63	1.22	-0.26	2.06	-0.57	1.46	2.29	0.87
Week ending:									
28 Jan	16.09	18.32	18.72	19.05	21.85	20.98	12.50	16.89	10.89
04 Feb	16.45	18.89	19.01	19.51	24.05	21.12	13.05	17.54	11.47
11 Feb	16.51	18.30	19.72	18.99	25.00	20.84	13.51	17.88	11.63
18 Feb	16.39	17.71	20.49	18.68	21.39	20.39	13.20	17.82	11.57
25 Feb	16.71	18.48	20.65	18.72	21.49	20.09	13.29	17.09	11.48
04 Mar	16.69	18.49	20.07	18.84	21.39	20.00	13.51	16.17	11.53

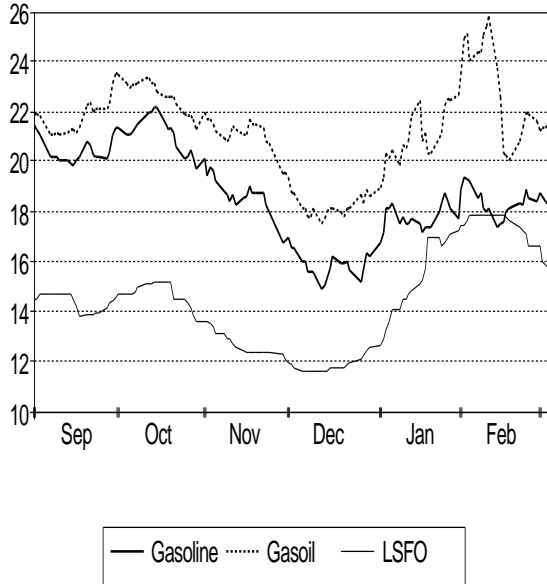
* Gasolines are unleaded regular in Rotterdam and New York Harbour, and leaded regular in Singapore. The specification of gasoline in New York Harbour changed from 9.0 RVP to 13.5 RVP as of 7 September 1993. Low Sulphur Residual Fuel Oils are 1.0 per cent LSFO in Rotterdam and New York Harbour, and low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

End-User Product Prices

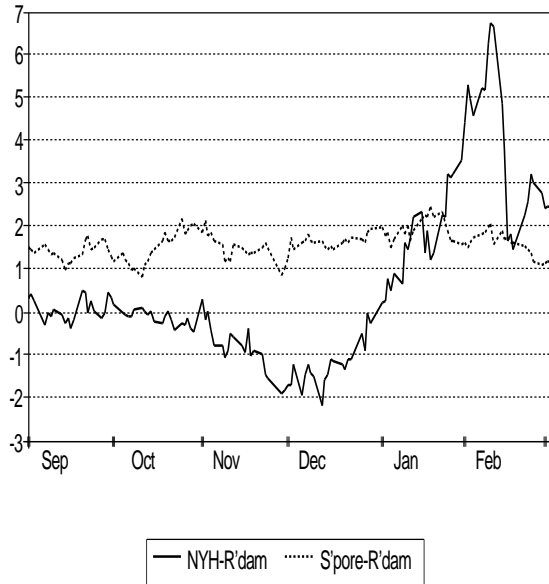
In February, end-user prices of heavy fuel oil for industry in Europe increased sharply consistent with higher international spot prices, with the greatest increase in the five countries shown in Table 8 occurring in France where it rose by more than 20 per cent. Other end-user prices were relatively stable. With the Japanese yen strengthening against the US dollar, Japanese prices increased in US dollar terms in spite of a small decline in gasoline and diesel fuel prices in years.

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

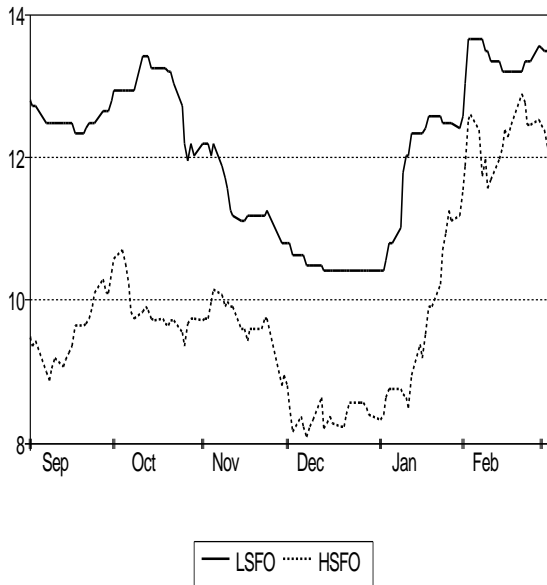
New York Harbour Spot Product Prices
(\$/bbl)



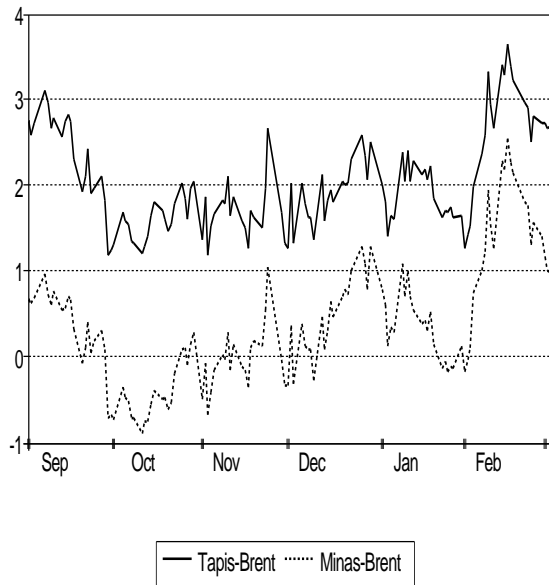
Gasoil Price Differentials
(\$/bbl)



European Fuel Oil Prices
(\$/bbl)



Tapis and Minas Prices versus Brent
(\$/bbl)



REFINERY ACTIVITY

Refining Margins

Monthly average refining margins for Brent crude in Europe and the US increased in February by \$0.70-1.10/bbl as gasoline and low sulphur fuel oil prices in both markets and the US gasoil price increased substantially relative to the Brent price. In Europe, the hydroskimming margin increased more than the catalytic cracking margin due to its higher yield of low sulphur fuel oil and lower yield of distillates. The catalytic cracking margin for ANS crude in the US remained little changed as the average ANS price increased in February, unlike the Brent price. The hydroskimming margin in Singapore increased slightly in February as price decreases in distillates relative to Dubai crude were more than offset by relative price increases in other products.

With product prices in Europe and Singapore fluctuating less sharply than crude prices, refinery margins during February increased at the beginning of the month and peaked in the middle before declining towards the end of the month. The hydroskimming margin in Europe increased briefly to close to \$2/bbl in mid-February, the highest level since the end of the Gulf crisis. Refinery margins in the US increased early in the month with the Brent cracking margin briefly exceeding \$3/bbl. The ANS margin decreased sharply in the middle of the month and became substantially lower than the Brent margin for the first time in more than nine months.

Refining Margins in Major Refining Centres

(\$/bbl)

	Dec	Jan	Feb	Change	Week ending:					
					28 Jan	04 Feb	11 Feb	18 Feb	25 Feb	04 Mar
NW Europe										
Brent (Hydroskimming)	0.25	0.04	1.06	1.03	-0.31	-0.38	1.08	1.81	1.44	1.32
Brent (Cracking)	2.23	1.73	2.50	0.78	1.26	1.19	2.46	3.22	2.88	2.70
US Gulf Coast										
Brent (Cracking)	-0.09	1.72	2.74	1.02	1.87	2.32	3.00	2.68	2.75	2.64
WTI (Cracking)	-0.03	1.76	2.44	0.68	2.10	2.61	2.76	2.10	2.19	2.20
ANS (Cracking)	1.32	2.45	2.49	0.04	2.56	2.62	2.82	2.32	2.15	2.11
Singapore										
Dubai(Hydroskimming)	0.80	0.72	1.06	0.34	0.45	0.81	1.00	1.38	1.00	0.93

Refinery Crude Throughputs

The aggregate refinery throughputs of Europe, Japan and the US decreased from 30.8 mb/d in December to 30.2 mb/d in January, with a Japanese increase more than offset by decreases in Europe and the US. The aggregate level was 0.6 mb/d or 1.9 per cent higher than the level in January 1993 with throughputs in all three regions higher than a year earlier.

Total crude throughputs in distillation units in OECD European countries decreased by 0.4 mb/d from 12.8 mb/d in December to 12.4 mb/d in January consistent with lower refinery margins. This level was 1.8 per cent higher than the level in January 1993. Compared with December 1993, throughputs in France and Sweden decreased by more than 0.1 mb/d while throughputs in several other countries, including Germany and Italy, also decreased.

Crude throughputs in the US decreased from 13.7 mb/d in December to 13.3 mb/d in January reflecting the beginning of a heavy refinery maintenance period. This level was 1.7 per cent higher than the level in January 1993. Utilisation of operating capacity (excluding idle plant but including capacity temporarily out of service for maintenance) decreased to 90 per cent.

Japanese crude throughputs increased from 4.4 mb/d in December to 4.5 mb/d in January reaching the highest level for many years, partly reflecting strong gasoline and diesel fuel demand. The level was 2.5 per cent higher than the level in January 1993. Utilisation of operating capacity increased from 96 per cent to close to 100 per cent.

Preliminary indications for February suggest somewhat lower throughput levels in Europe consistent with heavier refinery maintenance. More than 800 kb/d of crude distillation units were planned to be out of service for maintenance in February. Weekly US statistics indicate that the throughput level in February increased slightly despite plans for heavy refinery maintenance, consistent with the sharp increase in

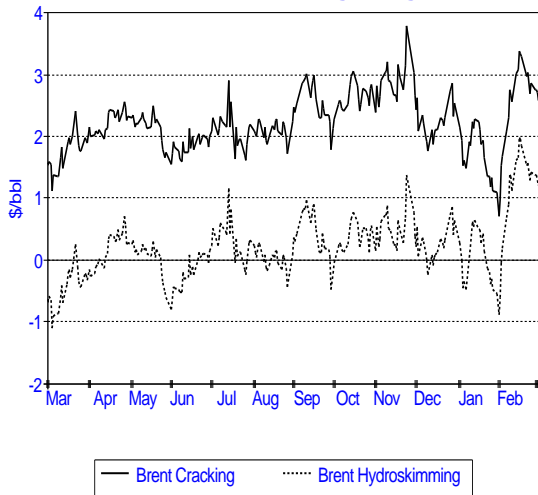
refinery margins. In Japan, crude throughputs in February are believed to have increased further, consistent with a significantly lower level of end of January kerosene stocks than last year. Colder weather this winter increased kerosene demand relative to last year.

Refinery Crude Throughputs in OECD Countries

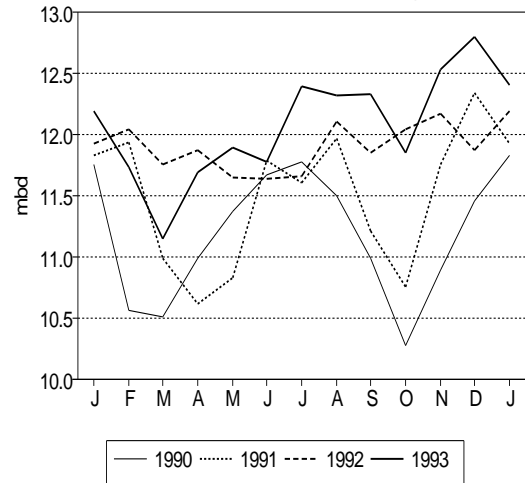
	million barrels per day					% change from previous year
	Sept	Oct	Nov	Dec*	Jan*	Jan
OECD Europe	12.33	11.85	12.53	12.80	12.41	1.8
France	1.58	1.66	1.68	1.73	1.61	4.9
Germany	2.17	1.99	2.12	2.25	2.17	3.9
Italy	1.69	1.69	1.74	1.76	1.72	0.3
Netherlands	1.16	0.97	1.14	1.17	1.16	0.4
UK	1.71	1.70	1.75	1.75	1.79	8.6
US	13.89	13.76	13.70	13.66	13.27	1.7
Japan	3.84	3.75	4.31	4.35	4.51	2.5

* estimated

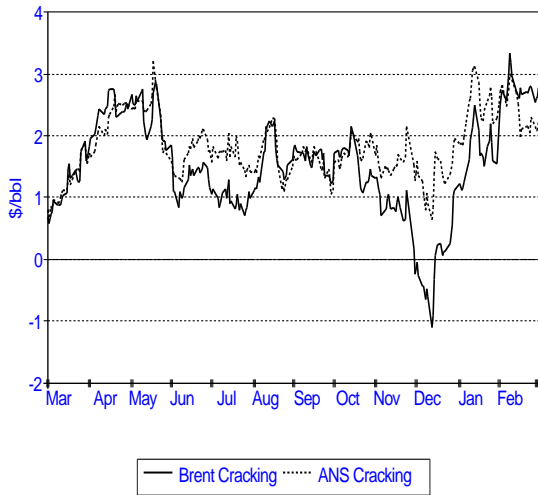
Rotterdam Refining Margins



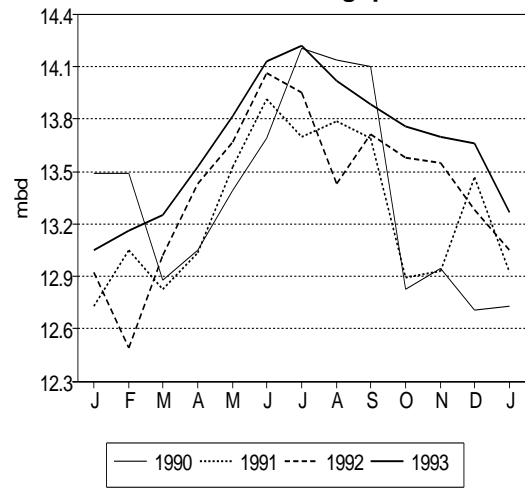
OECD Europe Crude Throughputs



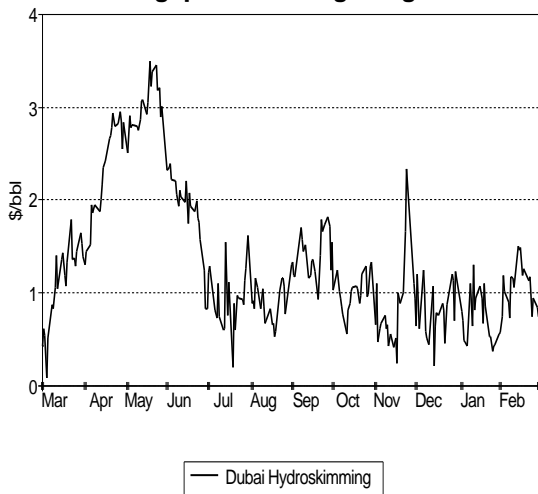
US Gulf Refining Margins



US Crude Throughputs



Singapore Refining Margins



Japan Crude Throughputs

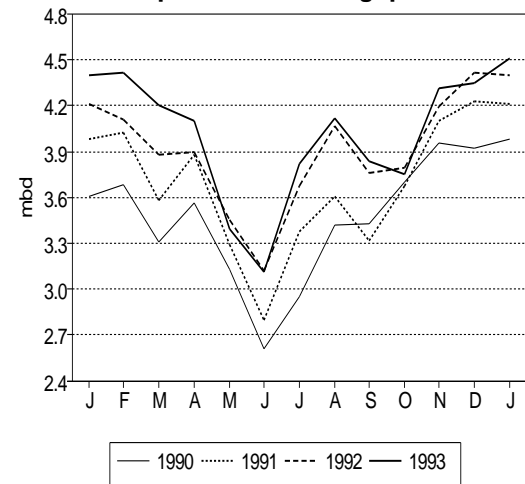


Table 1
WORLD OIL SUPPLY AND DEMAND

(million barrels per day)

	1990	1991	1Q92	2Q92	3Q92	4Q92	1992	1Q93	2Q93	3Q93	4Q93	1993	1Q94	2Q94	3Q94	4Q94	1994
DEMAND																	
OECD																	
North America	18.9	18.6	18.7	18.6	18.9	19.4	18.9	19.0	18.7	19.4	19.6	19.2	19.6	19.1	19.6	19.9	19.5
Europe ¹	13.0	13.4	14.1	13.0	13.6	13.8	13.6	13.8	13.1	13.6	14.0	13.6	13.8	13.2	13.7	14.0	13.7
Pacific	6.1	6.2	6.8	5.9	5.9	6.7	6.3	7.0	5.9	5.7	6.5	6.3	6.9	5.8	5.9	6.5	6.3
TOTAL OECD	38.1	38.2	39.6	37.5	38.5	39.9	38.9	39.8	37.7	38.8	40.2	39.1	40.3	38.1	39.2	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	68.5	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	11.0	11.0	10.9	10.7	10.7	10.9	10.8
Europe	4.3	4.5	4.9	4.6	4.7	5.1	4.8	4.9	4.8	5.1	5.7	5.1	5.9	5.7	5.7	6.2	5.9
Pacific	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.6	0.7	0.6	0.6	0.6	0.6	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	17.3	16.8	17.4	17.1	17.0	17.7	17.3
NON-OECD																	
Former USSR	11.5	10.4	9.5	9.2	8.8	8.4	9.0	8.2	8.0	7.7	7.5	7.8	7.2	7.0	6.9	6.7	7.0
China	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.9	2.9	2.9	3.0	2.9	2.9	2.9	3.0	3.0	2.9
Europe	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Latin America	5.4	5.6	5.7	5.7	5.7	5.7	5.7	5.7	5.8	5.7	5.9	5.8	5.9	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	1.9	1.9	1.9	1.8	1.9
Middle East	1.3	1.4	1.5	1.5	1.5	1.6	1.5	1.6	1.6	1.6	1.8	1.6	1.7	1.8	1.8	1.8	1.8
Africa	1.9	2.0	2.0	2.0	2.0	2.1	2.0	2.1	2.1	2.0	2.1	2.0	2.1	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	40.6	40.2	40.1	41.1	40.5	40.9	40.4	40.3	41.0	40.6
OPEC																	
Crude	22.7	23.0	23.8	23.4	24.1	24.9	24.1	25.1	24.2	24.7	24.9	24.7					
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	27.1	26.9					
TOTAL SUPPLY⁵	67.0	66.9	67.5	66.4	67.0	68.0	67.2	67.8	66.7	67.1	68.2	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	-0.9	0.1					
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	0.8	-0.8	0.1					
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	0.1	0.2	0.3	0.2					
TOTAL STOCK CH. & MISC.	0.5	0.0	-1.4	0.7	1.2	0.1	0.2	-0.5	1.3	1.1	-0.3	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)

	August			September			Third Quarter			October			November		
	1992	1993	%	1992	1993	%	1992	1993	%	1992	1993	%	1992	1993	%
North America															
LPG	1.89	1.81	-4.4	1.94	1.96	1.4	1.93	1.94	0.1	2.27	2.23	-1.8	2.56	2.46	-4.1
Naphtha	0.28	0.27	-5.6	0.27	0.24	-10.6	0.28	0.26	-10.1	0.26	0.23	-10.2	0.24	0.25	3.5
Motor Gasoline	8.03	8.63	7.4	8.02	8.41	4.9	8.14	8.52	4.7	7.96	8.08	1.5	7.79	8.06	3.5
Jet/Kerosene	1.53	1.50	-2.5	1.46	1.53	5.0	1.49	1.51	1.5	1.47	1.49	1.8	1.54	1.58	2.8
Gasoil	3.06	3.21	4.8	3.35	3.43	2.3	3.14	3.22	2.4	3.47	3.49	0.6	3.45	3.64	5.4
Residual Fuel Oil	1.11	1.02	-8.0	1.07	1.34	25.1	1.11	1.18	6.2	1.25	1.13	-9.1	1.22	1.17	-4.3
Other Products	2.89	2.83	-2.1	2.72	2.91	7.0	2.81	2.83	0.6	2.62	2.61	-0.6	2.34	2.41	3.0
Total	18.80	19.26	2.4	18.83	19.83	5.3	18.91	19.45	2.9	19.30	19.26	-0.2	19.14	19.56	2.2
Europe															
LPG	0.69	0.72	3.1	0.74	0.79	7.4	0.71	0.74	4.4	0.80	0.81	1.8	0.88	0.98	11.2
Naphtha	0.76	0.76	0	0.82	0.70	-14.8	0.77	0.73	-5.5	0.67	0.68	1.1	0.80	0.75	-6.0
Motor Gasoline	3.07	3.12	1.6	3.15	3.12	-0.9	3.16	3.17	0.4	3.05	2.96	-3.2	2.93	3.02	3.0
Jet/Kerosene	0.83	0.88	6.1	0.83	0.88	5.5	0.82	0.86	5.0	0.78	0.80	2.5	0.70	0.75	7.0
Gasoil	4.21	4.17	-1.0	4.96	5.01	1.1	4.58	4.59	0.2	4.63	4.67	0.9	4.74	5.39	13.7
Residual Fuel Oil	2.05	2.15	5.0	2.27	2.25	-0.8	2.15	2.16	0.5	2.19	2.16	-1.3	2.49	2.47	-0.7
Other Products	1.34	1.35	1.3	1.49	1.41	-4.9	1.43	1.39	-3.0	1.38	1.29	-5.9	1.31	1.28	-2.3
Total	12.95	13.15	1.5	14.25	14.17	-0.6	13.63	13.65	0.2	13.50	13.38	-0.9	13.85	14.63	5.7
Pacific															
LPG	0.58	0.60	3.9	0.65	0.66	1.4	0.63	0.64	1.2	0.66	0.65	-1.1	0.70	0.70	-0.9
Naphtha	0.48	0.48	0.3	0.43	0.45	4.0	0.46	0.45	-2.4	0.49	0.48	-3.4	0.52	0.49	-4.9
Motor Gasoline	1.23	1.25	0.9	1.15	1.16	1.0	1.19	1.20	1.2	1.13	1.15	1.5	1.13	1.18	3.6
Jet/Kerosene	0.46	0.48	3.8	0.50	0.49	-2.6	0.48	0.49	2.5	0.58	0.62	6.2	0.81	0.81	0
Gasoil	1.24	1.28	3.2	1.32	1.34	1.7	1.30	1.31	1.1	1.36	1.37	0.6	1.43	1.51	5.5
Residual Fuel Oil	0.88	0.74	-16.2	0.94	0.76	-18.9	0.91	0.76	-15.8	0.94	0.80	-15.0	0.97	0.84	-13.6
Other Products	0.92	0.84	-9.0	1.02	0.78	-23.6	0.96	0.81	-15.6	1.00	0.79	-21.4	1.02	0.88	-13.3
Total	5.80	5.66	-2.3	6.00	5.63	-6.2	5.92	5.66	-4.3	6.17	5.85	-5.2	6.58	6.40	-2.7
OECD															
LPG	3.17	3.13	-1.3	3.32	3.42	2.7	3.28	3.32	1.3	3.73	3.69	-0.9	4.14	4.13	-0.3
Naphtha	1.52	1.51	-1.0	1.52	1.39	-8.7	1.52	1.44	-5.4	1.42	1.39	-2.5	1.56	1.49	-4.2
Motor Gasoline	12.34	13.00	5.3	12.31	12.69	3.1	12.48	12.90	3.3	12.14	12.18	0.3	11.85	12.25	3.4
Jet/Kerosene	2.82	2.85	1.1	2.79	2.89	3.8	2.79	2.86	2.7	2.83	2.92	2.9	3.05	3.14	3.0
Gasoil	8.51	8.66	1.7	9.62	9.77	1.6	9.02	9.12	1.1	9.46	9.53	0.7	9.62	10.53	9.5
Residual Fuel Oil	4.04	3.91	-3.2	4.29	4.36	1.7	4.16	4.10	-1.5	4.38	4.09	-6.5	4.68	4.48	-4.3
Other Products	5.14	5.02	-2.4	5.23	5.10	-2.4	5.21	5.03	-3.3	5.00	4.69	-6.2	4.67	4.58	-2.0
Total	37.55	38.07	1.4	39.09	39.63	1.4	38.45	38.76	0.8	38.97	38.49	-1.2	39.57	40.60	2.6

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

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

Percentage changes are calculated before rounding.

Table 2A
OIL DEMAND IN SELECTED OECD COUNTRIES

(million barrels per day)

	Third Quarter			October			November			December			Fourth Quarter		
	1992	1993	%	1992	1993	%	1992	1993	%	1992	1993	%	1992	1993	%
United States															
LPG	1.73	1.73	0.4	2.10	2.06	-2.2	2.33	2.25	-3.6	2.39	2.18	-8.8	2.28	2.16	-5.0
Naphtha	0.22	0.19	-14.2	0.19	0.17	-12.7	0.17	0.18	5.5	0.20	0.20	1.8	0.19	0.18	-2.1
Motor Gasoline	7.53	7.89	4.7	7.39	7.51	1.6	7.23	7.46	3.2	7.49	7.75	3.5	7.37	7.58	2.8
Jet/Kerosene	1.40	1.42	1.5	1.38	1.41	2.7	1.45	1.50	3.7	1.43	1.59	10.9	1.42	1.50	5.8
Gasoil	2.79	2.84	1.9	3.06	3.06	-0.1	3.04	3.19	5.1	3.32	3.41	2.5	3.14	3.22	2.5
Residual Fuel Oil	0.98	1.05	7.2	1.11	1.00	-9.7	1.04	1.01	-2.9	1.29	1.35	4.4	1.15	1.12	-2.4
Other Products	2.55	2.57	0.8	2.39	2.38	-0.7	2.14	2.23	4.0	1.99	1.87	-5.9	2.17	2.16	-0.8
Total	17.20	17.70	2.9	17.62	17.58	-0.2	17.40	17.82	2.4	18.12	18.35	1.3	17.72	17.92	1.1
Japan															
LPG	0.56	0.56	0.5	0.59	0.58	-2.3	0.63	0.62	-1.4	0.68	0.73	8.2	0.63	0.64	1.8
Naphtha	0.46	0.45	-2.4	0.48	0.47	-2.0	0.52	0.49	-4.8	0.56	0.55	-2.9	0.52	0.50	-3.2
Motor Gasoline	0.86	0.86	0.3	0.79	0.81	2.9	0.80	0.82	2.4	0.88	0.93	5.7	0.82	0.85	3.7
Jet/Kerosene	0.40	0.41	2.8	0.51	0.54	6.2	0.73	0.73	0.1	1.04	1.11	6.7	0.76	0.79	4.5
Gasoil	1.10	1.11	0.5	1.15	1.17	1.0	1.22	1.28	5.3	1.35	1.36	0.9	1.24	1.27	2.3
Residual Fuel Oil	0.86	0.72	-16.2	0.90	0.76	-16.4	0.93	0.80	-14.3	0.91	0.84	-7.6	0.91	0.80	-12.8
Other Products	0.84	0.68	-19.2	0.89	0.66	-26.1	0.89	0.75	-15.4	0.91	0.78	-13.7	0.89	0.73	-18.4
Total	5.08	4.79	-5.7	5.31	4.98	-6.4	5.70	5.48	-3.8	6.32	6.30	-0.3	5.78	5.59	-3.3
Germany															
LPG	0.09	0.10	9.0	0.08	0.09	4.0	0.10	0.12	20.7	0.10	0.12	20.6	0.10	0.11	15.8
Naphtha	0.19	0.20	1.6	0.18	0.21	16.7	0.21	0.19	-10.8	0.18	0.19	8.1	0.19	0.20	3.9
Motor Gasoline	0.75	0.76	1.3	0.76	0.73	-4.3	0.73	0.74	1.4	0.75	0.78	4.5	0.75	0.75	0.5
Jet/Kerosene	0.12	0.12	3.5	0.11	0.12	8.4	0.11	0.11	1.0	0.10	0.11	9.4	0.11	0.11	6.3
Gasoil	1.35	1.37	1.6	1.16	1.22	5.5	1.16	1.43	23.2	1.27	1.48	16.6	1.20	1.38	15.1
Residual Fuel Oil	0.20	0.19	-8.6	0.21	0.18	-14.3	0.24	0.21	-10.9	0.22	0.22	0.8	0.22	0.20	-8.1
Other Products	0.27	0.27	0.2	0.25	0.27	9.3	0.27	0.25	-6.1	0.23	0.23	-0.2	0.25	0.25	0.9
Total	2.98	3.01	1.0	2.76	2.82	2.4	2.83	3.07	8.4	2.85	3.14	10.2	2.81	3.01	7.0
Italy															
LPG	0.09	0.09	-2.6	0.11	0.10	-7.1	0.11	0.14	23.7	0.10	0.16	47.8	0.11	0.13	20.9
Naphtha	0.06	0.09	34.3	0.07	0.10	43.6	0.07	0.07	4.0	0.06	0.09	39.3	0.07	0.09	28.5
Motor Gasoline	0.40	0.41	4.2	0.38	0.39	0.6	0.39	0.42	6.6	0.39	0.39	0.6	0.39	0.40	2.5
Jet/Kerosene	0.07	0.09	28.9	0.07	0.07	4.7	0.07	0.07	2.4	0.07	0.08	17.1	0.07	0.07	8.1
Gasoil	0.48	0.44	-8.3	0.59	0.57	-4.0	0.59	0.64	8.6	0.67	0.71	6.9	0.62	0.64	3.9
Residual Fuel Oil	0.54	0.57	4.8	0.50	0.55	9.2	0.65	0.61	-6.1	0.63	0.63	0.8	0.59	0.60	0.7
Other Products	0.20	0.14	-29.4	0.19	0.14	-27.3	0.17	0.17	-2.5	0.15	0.16	7.5	0.17	0.16	-9.0
Total	1.84	1.83	-0.8	1.92	1.92	-0.2	2.05	2.11	3.1	2.07	2.22	7.2	2.01	2.08	3.5
France															
LPG	0.10	0.08	-15.7	0.14	0.12	-9.3	0.13	0.15	13.5	0.14	0.14	-2.2	0.14	0.14	0.4
Naphtha	0.18	0.14	-23.3	0.15	0.11	-26.9	0.21	0.19	-8.5	0.16	0.16	-0.8	0.17	0.15	-11.5
Motor Gasoline	0.41	0.40	-2.4	0.38	0.35	-6.2	0.34	0.34	-2.1	0.37	0.34	-7.9	0.37	0.35	-5.6
Jet/Kerosene	0.10	0.11	2.3	0.09	0.08	-14.6	0.08	0.09	4.5	0.08	0.09	9.5	0.09	0.08	-1.2
Gasoil	0.76	0.72	-4.3	0.83	0.82	-1.9	0.79	0.95	20.7	0.90	0.92	2.2	0.84	0.90	6.4
Residual Fuel Oil	0.13	0.12	-5.4	0.16	0.16	1.2	0.17	0.19	11.1	0.20	0.20	-1.7	0.18	0.18	3.1
Other Products	0.20	0.20	0.5	0.20	0.18	-9.7	0.17	0.17	1.9	0.16	0.15	-0.7	0.17	0.17	-5.0
Total	1.88	1.78	-5.5	1.95	1.82	-6.3	1.90	2.08	9.6	2.01	1.99	-0.9	1.95	1.96	0.6
United Kingdom															
LPG	0.12	0.14	15.3	0.12	0.14	9.8	0.13	0.17	28.1	0.13	0.14	4.8	0.13	0.15	14.0
Naphtha	0.08	0.07	-15.8	0.07	0.07	-1.2	0.07	0.08	7.1	0.08	0.09	13.1	0.07	0.08	6.7
Motor Gasoline	0.56	0.55	-3.0	0.56	0.54	-4.8	0.55	0.57	3.4	0.56	0.52	-7.7	0.56	0.54	-3.2
Jet/Kerosene	0.21	0.22	6.1	0.20	0.22	8.7	0.18	0.22	16.4	0.20	0.21	2.8	0.20	0.22	9.0
Gasoil	0.41	0.42	2.1	0.44	0.44	-0.7	0.45	0.50	12.0	0.43	0.41	-4.0	0.44	0.45	2.4
Residual Fuel Oil	0.24	0.25	3.1	0.26	0.23	-11.5	0.31	0.29	-8.2	0.29	0.32	11.9	0.29	0.28	-2.4
Other Products	0.16	0.16	0.1	0.16	0.16	2.3	0.16	0.17	4.0	0.14	0.14	2.9	0.15	0.16	3.1
Total	1.79	1.81	1.0	1.82	1.80	-1.5	1.85	1.98	6.7	1.84	1.84	0.1	1.84	1.87	1.7
Canada															
LPG	0.21	0.20	-2.4	0.17	0.17	2.4	0.23	0.21	-9.5	0.23	0.20	-11.0	0.21	0.19	-6.8
Naphtha	0.07	0.07	3.3	0.07	0.07	-3.2	0.07	0.07	-1.2	0.06	0.06	2.2	0.07	0.07	-0.8
Motor Gasoline	0.61	0.64	4.3	0.57	0.57	-0.3	0.56	0.59	6.4	0.58	0.59	2.8	0.57	0.58	2.9
Jet/Kerosene	0.08	0.08	1.1	0.09	0.08	-12.5	0.09	0.08	-12.1	0.08	0.08	-4.6	0.09	0.08	-9.8
Gasoil	0.35	0.37	6.7	0.41	0.44	5.2	0.41	0.44	7.8	0.42	0.44	4.7	0.42	0.44	5.9
Residual Fuel Oil	0.13	0.13	-0.9	0.14	0.13	-3.9	0.18	0.16	-12.4	0.19	0.15	-20.2	0.17	0.15	-13.0
Other Products	0.26	0.26	-0.6	0.23	0.23	0.2	0.20	0.19	-7.8	0.17	0.17	-0.2	0.20	0.20	-2.5
Total	1.71	1.75	2.6	1.67	1.68	0.4	1.75	1.74	-0.2	1.73	1.70	-1.7	1.72	1.71	-0.6

Demand, measured as deliveries from refineries and primary stocks, comprises inland deliveries, international bunkers and refinery fuel. It includes crude for direct burning, oil from non-conventional sources and other sources of supply. Jet/kerosene comprises jet kerosene and non-aviation kerosene grades. Gasoil comprises diesel, light heating oil and other gasoils. Percentage changes are calculated before rounding.

Table 3
WORLD OIL PRODUCTION
(million barrels per day)

	1992	1993	1994*	1Q93	2Q93	3Q93	4Q93	Nov93	Dec93	Jan94*	Feb94*
OPEC											
Crude Oil											
Saudi Arabia	8.22	7.96		8.14	7.91	7.91	7.88	7.90	7.88	7.88	7.88
Iran	3.43	3.65		3.70	3.60	3.70	3.60	3.57	3.60	3.65	3.60
Iraq	0.43	0.48		0.45	0.45	0.48	0.54	0.54	0.54	0.52	0.51
UAE	2.29	2.20		2.26	2.20	2.16	2.17	2.15	2.16	2.15	2.15
Kuwait	0.88	1.69		1.64	1.52	1.79	1.82	1.82	1.80	1.81	1.80
Neutral Zone	0.36	0.36		0.39	0.30	0.38	0.39	0.36	0.40	0.36	0.36
Qatar	0.40	0.42		0.43	0.42	0.43	0.41	0.41	0.40	0.40	0.40
Nigeria	1.88	1.91		1.93	1.83	1.90	1.98	2.01	2.04	2.00	2.06
Libya	1.48	1.37		1.42	1.35	1.36	1.37	1.39	1.35	1.28	1.30
Algeria	0.75	0.75		0.76	0.74	0.74	0.75	0.76	0.75	0.74	0.75
Gabon	0.29	0.30		0.30	0.30	0.29	0.30	0.31	0.30	0.29	0.29
Venezuela	2.33	2.31		2.33	2.26	2.28	2.36	2.37	2.35	2.35	2.40
Indonesia	1.33	1.34		1.36	1.36	1.34	1.32	1.33	1.33	1.33	1.30
Total Crude Oil	24.06	24.73		25.08	24.23	24.75	24.86	24.91	24.89	24.76	24.79
NGLs ¹	2.09	2.21		2.19	2.22	2.24	2.21	2.22	2.23	2.24	2.24
TOTAL OPEC³	26.15	26.94		27.27	26.45	26.99	27.07	27.13	27.11	27.00	27.04
NON-OPEC²											
OECD											
United States	9.00	8.80	8.62	8.98	8.79	8.65	8.79	8.82	8.70	8.73	8.64
Canada	2.06	2.17	2.17	2.10	2.12	2.25	2.21	2.23	2.20	2.18	2.19
UK	2.00	2.17	2.63	2.07	1.92	2.19	2.50	2.49	2.56	2.54	2.59
Norway	2.22	2.37	2.58	2.25	2.29	2.35	2.60	2.63	2.59	2.74	2.65
Australia	0.60	0.56	0.55	0.56	0.60	0.57	0.53	0.54	0.57	0.58	0.54
Other OECD	0.69	0.68	0.74	0.66	0.67	0.67	0.71	0.71	0.74	0.74	0.73
Total OECD	16.56	16.76	17.29	16.62	16.40	16.67	17.34	17.43	17.35	17.50	17.35
Non-OECD											
Former USSR	8.97	7.83	6.96	8.20	8.00	7.66	7.48	7.51	7.40	7.29	7.24
Russia	7.93	6.86	6.04	7.22	7.02	6.69	6.51	6.54	6.43	6.35	6.30
Others	1.05	0.97	0.93	0.98	0.98	0.97	0.97	0.97	0.97	0.95	0.95
China	2.84	2.92	2.95	2.88	2.93	2.89	2.96	2.95	2.96	2.93	2.93
Europe	0.28	0.29	0.28	0.28	0.29	0.29	0.29	0.29	0.29	0.28	0.28
Latin America	5.67	5.77	5.97	5.67	5.75	5.74	5.91	5.91	5.93	5.92	5.92
Mexico	3.12	3.13	3.20	3.07	3.13	3.12	3.21	3.20	3.22	3.18	3.18
Brazil	0.85	0.88	0.92	0.86	0.86	0.88	0.91	0.91	0.91	0.91	0.91
Colombia	0.45	0.47	0.51	0.48	0.47	0.44	0.48	0.48	0.48	0.49	0.49
Ecuador	0.32	0.34	0.36	0.33	0.34	0.34	0.35	0.35	0.35	0.36	0.36
Others	0.93	0.95	0.98	0.93	0.95	0.96	0.98	0.97	0.98	0.98	0.98
Asia	1.77	1.82	1.86	1.84	1.80	1.80	1.84	1.84	1.84	1.87	1.86
Middle East	1.50	1.63	1.77	1.57	1.58	1.63	1.75	1.78	1.79	1.74	1.74
Africa	2.02	2.04	2.07	2.06	2.05	2.02	2.06	2.05	2.05	2.05	2.05
Total Non-OECD	23.06	22.30	21.87	22.49	22.39	22.02	22.29	22.32	22.27	22.08	22.02
Processing Gains ⁴	1.45	1.45	1.50	1.45	1.45	1.45	1.45	1.45	1.45	1.50	1.50
TOTAL NON-OPEC	41.07	40.51	40.65	40.56	40.24	40.15	41.08	41.20	41.07	41.08	40.87
TOTAL SUPPLY	67.23	67.45		67.83	66.69	67.13	68.15	68.32	68.18	68.09	67.91

Totals may not add due to rounding.

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

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

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

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

* estimated

Table 4
INDUSTRY STOCKS¹ AND QUARTERLY STOCK CHANGES

	RECENT MONTHLY STOCKS ² in Million Tons					PRIOR YEARS' STOCKS ² in Million Tons			STOCK CHANGES ³ in mb/d			
	SEP93	OCT93	NOV93*	DEC93*	JAN94*	JAN91	JAN92	JAN93	Q193	Q293	Q393	Q493
North America												
Crude	37.9	38.8	39.5	38.5	37.5	37.6	39.9	38.1	0.12	0.20	-0.26	0.05
Gasoline	22.2	22.6	24.0	24.6	25.7	25.0	25.2	25.6	0.20	-0.10	-0.15	0.22
Middle Distillates	25.3	26.9	27.3	25.8	21.5	24.2	24.9	25.2	-0.53	0.17	0.27	0.04
Heavy Fuel Oil	14.5	15.3	15.9	14.8	14.3	18.5	16.1	15.9	-0.13	0.11	-0.09	0.02
Total Products ⁴	81.6	83.7	85.2	82.2	76.5	83.3	82.6	82.8	-0.52	0.56	0.24	0.02
Total ⁵	141.6	144.0	144.9	138.7	133.0	138.2	139.8	140.1	-0.15	0.86	0.09	-0.26
OECD Europe												
Crude	39.1	40.7	40.9	40.3	39.8	37.5	37.2	38.7	0.02	-0.06	-0.10	0.10
Gasoline	15.4	15.6	16.0	16.1	17.1	16.6	17.0	17.1	0.11	-0.11	0.00	0.06
Middle Distillates	34.1	34.0	32.1	31.7	33.2	30.3	31.9	34.7	-0.36	0.16	0.20	-0.20
Heavy Fuel Oil	25.3	25.0	24.4	23.5	23.4	26.4	23.9	24.7	-0.04	0.06	0.08	-0.13
Total Products ⁴	84.9	84.4	82.5	81.2	84.4	83.4	82.8	86.8	-0.32	0.10	0.32	-0.28
Total ⁵	131.7	132.9	131.2	129.3	131.9	128.9	127.6	133.5	-0.30	0.05	0.18	-0.17
OECD Pacific												
Crude	23.2	23.7	22.4	21.1	21.2	22.9	23.1	21.5	-0.02	0.08	0.08	-0.17
Gasoline	3.0	3.0	2.9	2.7	3.0	3.0	2.9	3.0	0.03	0.00	0.01	-0.03
Middle Distillates	10.7	10.7	10.5	8.9	8.5	9.7	9.3	8.7	-0.21	0.13	0.21	-0.14
Heavy Fuel Oil	3.0	2.9	2.8	2.6	2.4	2.8	2.8	2.6	0.00	0.00	0.04	-0.03
Total Products ⁴	22.6	22.6	21.9	19.6	19.2	21.4	20.7	20.3	-0.19	0.08	0.32	-0.25
Total ⁵	58.1	58.3	56.5	52.2	52.6	56.0	54.8	54.0	-0.21	0.10	0.52	-0.49
OECD												
Crude	100.1	103.1	102.9	99.9	98.5	98.0	100.2	98.2	0.12	0.22	-0.29	-0.02
Gasoline	40.7	41.2	42.9	43.4	45.8	44.6	45.1	45.7	0.34	-0.22	-0.15	0.25
Middle Distillates	70.1	71.5	69.9	66.5	63.1	64.2	66.1	68.6	-1.10	0.46	0.68	-0.30
Heavy Fuel Oil	42.7	43.3	43.1	40.9	40.1	47.7	42.9	43.2	-0.18	0.17	0.04	-0.13
Total Products ⁴	189.1	190.7	189.7	183.0	180.2	188.1	186.1	189.9	-1.04	0.75	0.88	-0.51
Total ⁵	331.4	335.2	332.5	320.2	317.4	323.0	322.1	327.7	-0.66	1.02	0.79	-0.93

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			
	SEP93	OCT93	NOV93*	DEC93*	JAN94*	JAN91	JAN92	JAN93	Q193	Q293	Q393	Q493
North America												
Crude	79.1	79.2	79.3	79.3	79.4	79.2	76.8	77.8	0.03	0.06	0.03	0.02
OECD Europe												
Crude	17.7	17.7	17.7	17.7	17.7	16.9	17.2	17.7	0.00	0.00	0.00	0.00
Products	16.1	16.1	16.0	16.0	16.1	14.7	14.9	16.2	0.02	-0.01	-0.01	-0.02
OECD Pacific												
Crude	33.5	34.1	34.4	34.9	35.3	28.2	30.4	32.8	0.10	0.00	0.01	0.11
OECD												
Crude	130.4	131.0	131.4	131.9	132.4	124.2	124.4	128.2	0.13	0.06	0.04	0.12
Products	16.1	16.1	16.0	16.0	16.1	14.7	14.9	16.2	0.02	-0.01	-0.01	-0.02
Total ⁵	146.5	147.2	147.3	147.9	148.5	138.9	139.3	144.4	0.16	0.05	0.03	0.11

* 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	14.2	68	14.4	71	14.5	67	14.6	-	-	-
United States	199.0	94	198.4	95	207.0	95	206.2	-	-	-
NORTH AMERICA	213.2	92	212.8	93	221.5	93	220.8	93	218.0	91
Australia	4.6	49	4.6	49	4.7	51	5.0	-	-	-
Japan	79.4	101	78.2	122	79.5	130	85.4	-	-	-
New Zealand	1.1	70	1.1	70	1.1	77	1.2	-	-	-
PACIFIC	85.1	96	83.9	111	85.3	119	91.6	111	87.1	99
Austria	2.9	97	2.9	97	2.9	94	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	124	3.1	118	2.9	95	2.7	-	-	-
France	19.2	73	18.2	76	18.3	80	19.6	-	-	-
Germany	43.6	121	43.6	121	43.8	113	44.1	-	-	-
Greece	4.4	91	4.8	122	4.7	112	4.5	-	-	-
Ireland	1.2	89	1.2	99	1.2	93	1.2	-	-	-
Italy	22.5	88	21.2	91	21.6	89	21.2	-	-	-
Luxembourg	0.4	70	0.4	73	0.4	78	0.4	-	-	-
Netherlands	10.3	105	9.3	96	10.2	100	10.8	-	-	-
Norway	4.7	201	4.7	184	3.8	144	4.9	-	-	-
Portugal	3.0	82	3.1	87	3.1	89	3.2	-	-	-
Spain	9.9	72	9.9	79	9.7	67	9.7	-	-	-
Sweden	5.2	124	4.9	128	5.5	138	5.4	-	-	-
Switzerland	5.0	146	5.2	156	4.8	133	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	-	-	-
EUROPE³	165.6	94	162.4	97	163.3	92	165.4	91	163.0	92
OECD⁴	463.8	93	459.2	97	470.1	97	477.8	95	468.1	93
DAYS OF IEA NET IMPORTS⁵	-	146	-	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	69
Q491	467	139	328	94	28	66
Q192	454	141	314	96	30	67
Q292	460	141	319	95	29	66
Q392	466	141	325	93	28	65
Q492	464	144	320	93	29	64
Q193	459	145	314	97	31	66
Q293	470	146	324	97	30	67
Q393	478	146	331	95	29	66
Q493	468	148	320	93	29	63

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	Sep93	Oct93	Nov93	Dec93	Jan94	Feb94
Crude Oil Prices														
IEA CIF Average Import	19.30	18.49	16.38	18.76	17.41	17.53	15.86	14.81	15.53	15.69	15.08	13.68	13.30*	13.40*
FOB Spot														
Brent (Dated)	19.99	19.30	17.00	19.18	18.21	18.23	16.49	15.08	15.99	16.50	15.17	13.56	14.27	13.73
WTI (1st month)	21.53	20.54	18.44	20.46	19.81	19.76	17.78	16.42	17.50	18.11	16.66	14.49	15.04	14.79
Dubai (1st month)	16.53	17.18	14.93	17.14	15.85	15.93	14.37	13.56	14.18	14.75	13.75	12.18	13.28	12.80
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	21.73	21.75	20.07	17.19	17.30	17.75
Regular Unleaded	26.57	23.75	20.70	23.16	21.72	22.82	20.33	17.91	19.46	19.87	18.25	15.62	15.96	16.54
Naphtha	23.71	20.93	18.47	20.93	19.76	20.14	17.66	16.33	16.88	17.72	16.68	14.59	14.57	15.40
Jet/Kerosene	28.07	24.90	23.37	25.82	24.24	23.72	22.41	23.10	22.75	24.42	23.63	21.27	20.83	20.35
Gasoil	26.96	23.76	22.28	24.20	22.90	23.26	21.54	21.39	21.73	22.76	21.95	19.47	19.23	18.97
Fuel Oil 1.0%S	14.22	14.26	13.50	15.01	14.58	14.67	13.13	11.62	12.54	12.92	11.46	10.48	11.86	13.32
Fuel Oil 3.5%S	12.27	12.90	10.22	14.25	11.27	10.95	9.35	9.30	9.53	9.83	9.69	8.38	9.51	12.21
Gross Product Worth 2	24.63	22.11	20.27	22.25	21.03	21.46	19.81	18.76	19.57	20.28	19.14	16.87	16.98	17.22
NY Harbour														
Super Unleaded 93	29.79	26.86	23.69	26.27	23.74	26.04	24.42	20.56	23.32	23.40	20.44	17.84	20.75	20.97
Regular Unleaded 87	27.54	24.57	21.58	23.98	22.33	23.91	21.53	18.55	20.46	21.13	18.66	15.86	17.74	18.38
Jet/Kerosene	26.65	24.88	23.33	25.03	24.34	23.91	22.34	22.72	23.28	24.81	23.54	19.83	24.60	25.56
No.2 (Heating Oil)	25.56	24.00	22.04	24.38	23.41	22.74	21.33	20.65	21.80	22.61	21.11	18.23	20.94	23.00
Fuel Oil 1.0%S	15.02	15.31	14.63	16.46	15.26	15.87	14.28	13.11	14.38	14.73	12.75	11.84	15.28	17.57
Fuel Oil 3.5%S	11.42	12.34	11.21	14.42	11.91	12.17	10.93	9.83	10.79	10.57	9.83	9.09	10.70	11.30
Gross Product Worth 3	23.91	22.30	20.16	21.97	20.79	22.26	19.83	17.76	19.26	19.95	17.93	15.39	17.70	18.13
Singapore														
Regular 0.15 g/l	28.63	26.56	24.01	25.96	24.66	26.59	23.28	21.51	23.29	23.38	22.11	19.03	18.80	20.01
Naphtha	22.84	20.24	17.22	19.36	18.45	19.24	16.38	14.80	14.81	15.90	15.16	13.36	13.38	13.72
Jet/Kerosene	28.29	25.39	24.42	26.15	25.55	25.29	22.77	24.07	22.77	25.08	24.74	22.39	22.49	21.45
Gasoil	28.20	25.12	24.02	25.83	24.97	25.27	22.91	22.92	23.14	24.26	23.42	21.09	21.17	20.59
LSWR (0.3%S)	15.16	14.72	14.90	16.21	16.17	19.16	13.53	10.74	13.12	12.90	10.79	8.54	10.68	11.55
HSFO (3.5%S 180cst)	14.10	13.44	11.83	14.07	12.69	13.23	11.37	10.04	11.80	11.45	9.58	9.07	10.94	10.67
Gross Product Worth 4	20.06	18.45	17.17	18.98	18.24	18.94	16.16	15.32	16.54	16.66	15.47	13.84	14.75	14.58

* = 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
February 1994

	National Currency						US Dollars					
	Price	Tax	%ch Prev.Month	Excl.Tax	%ch Year Ago	Price	Excl.Tax	%ch Prev.Month	Excl.Tax	%ch Year Ago	Price	Excl.Tax
GASOLINE² Price per Litre												
France	5.590	4.537	0.0	-0.2	6.3	-9.2	0.945	0.178	0.1	0.0	0.0	-14.4
Germany	1.476	1.173	-0.9	-4.1	10.6	-11.1	0.847	0.174	-0.9	-3.9	4.1	-16.3
Italy	1681.0	1287.4	1.0	3.5	7.9	-0.4	0.996	0.233	1.7	4.0	-1.0	-8.6
Spain	107.6	74.5	0.0	0.0	8.8	8.3	0.760	0.233	1.1	0.9	-9.7	-10.4
UK	0.559	0.414	0.4	1.4	7.2	-12.7	0.827	0.214	-0.7	0.0	10.1	-10.5
Japan	119	57	-1.7	-1.6	-4.0	-6.1	1.116	0.582	2.9	3.0	8.9	6.6
Canada	0.496	0.260	1.8	3.1	-5.9	-11.9	0.370	0.176	0.0	1.1	-11.5	-17.0
USA ³	0.274	0.100	-0.7	-1.1	-6.5	-15.6	0.274	0.174	-0.7	-1.1	-6.5	-15.5
AUTOMOTIVE DIESEL⁴ Price per Litre												
France	3.312	2.122	0.0	0.0	10.9	-4.8	0.560	0.201	0.2	0.0	4.3	-10.7
Germany	0.997	0.620	-1.1	-2.8	6.1	-4.8	0.572	0.216	-1.0	-2.7	-0.2	-10.4
Italy	1040.34	676.04	-0.2	-0.5	5.5	1.2	0.616	0.215	0.5	-0.5	-3.1	-7.3
Spain	72.65	40.30	-0.9	-2.0	7.9	7.7	0.513	0.228	0.0	-1.3	-10.5	-10.9
UK	0.436	0.277	-1.4	-3.6	7.3	-10.7	0.645	0.235	-2.4	-4.9	10.3	-8.2
Japan	79	34	-1.2	-2.2	3.9	-10.2	0.741	0.421	3.3	2.4	18.0	1.9
Canada	0.513	0.213	0.0	0.0	-1.6	-1.0	0.382	0.224	-1.8	-1.8	-7.5	-6.7
USA	..	..	..	..	..	..	..	..	..	..	..	..
DOMESTIC HEATING OIL Price per 1000 Litres												
France	2115.3	818.6	0.1	0.2	1.6	-1.6	357.5	219.2	0.2	0.2	-4.4	-7.5
Germany	447.5	138.4	-1.2	-1.6	-3.7	-4.6	256.9	177.4	-1.2	-1.5	-9.3	-10.1
Italy	1244000	874660	0.0	0.0	5.9	2.1	737.0	218.8	0.8	0.8	-2.8	-6.3
Spain	45115	17684	-1.8	-2.6	-1.8	-5.2	318.7	193.8	-0.8	-1.6	-18.5	-21.3
UK	127.47	16.40	-0.3	-0.4	-6.6	-9.7	188.5	164.2	-1.4	-1.4	-4.1	-7.2
Japan ⁵	49440	1440	0.0	0.0	-2.2	-2.2	463.5	450.0	4.5	4.5	10.9	10.9
Canada	392.0	35.0	2.1	2.0	1.6	1.7	292.3	266.2	0.3	0.2	-4.5	-4.4
USA ⁶	242.8	..	0.5	..	-5.2	..	242.8	..	0.5	..	-5.2	..
HFO FOR INDUSTRY^{4,7} Price per Metric Ton												
France	686.8	151.8	20.1	27.4	10.7	11.5	116.1	90.4	20.2	27.5	4.1	4.8
Germany	198.0	30.0	10.0	12.0	-7.0	-8.2	113.7	96.4	10.1	12.1	-12.4	-13.5
Italy	255050	45000	12.1	15.1	8.2	10.1	151.1	124.4	13.0	16.0	-0.7	1.0
Spain	17474	2000	11.9	13.7	20.6	21.9	123.4	109.3	13.1	14.9	0.1	1.2
UK	73.24	11.67	17.5	21.5	6.3	3.8	108.3	91.0	16.2	20.2	9.2	6.6
Japan	20817	606	0.0	0.0	-19.0	-19.0	195.2	189.5	4.5	4.5	-8.1	-8.1
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 January 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.