

7 November 1994

## HIGHLIGHTS

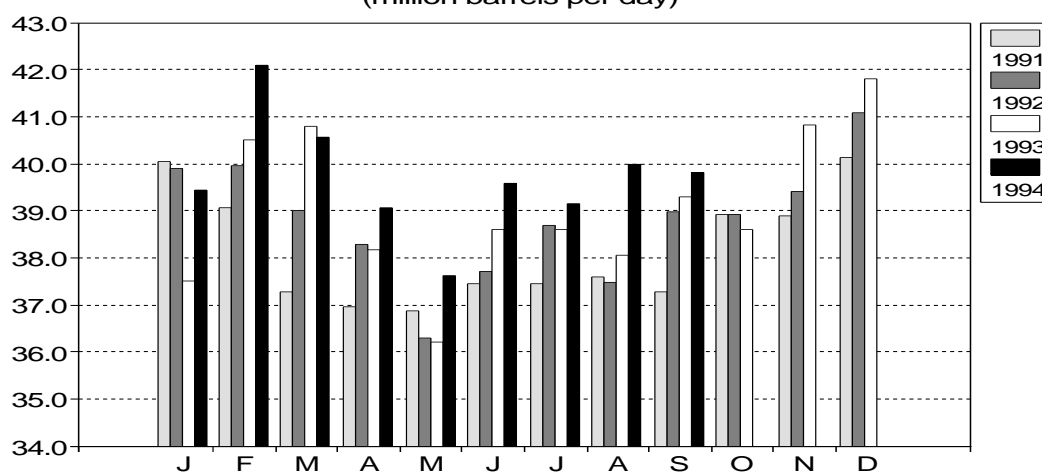
- OECD oil demand in 4Q94 is projected to be 0.1 mb/d higher than in last month's Report at 40.7 mb/d due to an upward revision to European demand. OECD demand in 1995 is expected to increase by 0.4 mb/d to 40.4 mb/d, an upward revision of 0.1 mb/d due to a reassessment of Pacific demand.
- Non-OECD oil demand in 1994 is projected to increase by 0.1 mb/d to 28.2 mb/d, a downward revision of 0.1 mb/d, reflecting lower Chinese demand growth in the second half of the year. In 1995, non-OECD oil demand is projected to increase by 0.7 mb/d to 28.9 mb/d with stronger growth in 1995 consistent with an assumed reduction in the rate of decline in FSU demand. Global oil demand in 1995 is expected to increase by 1.1 mb/d or nearly 2% to 69.3 mb/d, unchanged from last month's Report.
- In October OPEC crude oil production is assessed at 25.2 mb/d, an increase of 0.2 mb/d from September and 0.6 mb/d from August, due to the continuing recovery of Nigerian production following the workers' strikes this summer. Nigerian output, which had fallen below 1.5 mb/d in August, is thought to have exceeded 2 mb/d in October, the highest level since February. Production for the remainder of OPEC has been roughly constant over the last two months, with small increases and decreases in various countries offsetting each other.
- Global oil supply is estimated to have increased by more than 1 mb/d in October as non-OPEC supply moved up by 0.85 mb/d, despite a small decline in the FSU. The end of North Sea maintenance and increasing contributions from new fields accounted for the largest share of the gain, but higher Alaskan production and new fields in Latin America and Asia also helped raise output. The higher October non-OPEC production levels are expected to continue through 4Q94 and into 1995. Because of better than expected performance in several countries, projected 1995 non-OPEC supply has been raised from 41.3 mb/d to 41.6 mb/d with about one-third of the revision in OECD and two-third elsewhere.
- Preliminary estimates indicate that OECD inventories increased by 1.3 mb/d in September and by 1.2 mb/d in 3Q94. At the end of September, stocks are estimated to have been 28 mb higher than a year earlier. On the basis of days of forward demand, they were unchanged at 65 days but one day higher than at the end of 3Q92. The key feature was the high level of distillate stocks with inventories in North America, Europe and the Pacific being 10%, 8% and 5% respectively, higher than at the end of September in 1992 or 1993.
- Benchmark crude prices were little affected by the movement of Iraqi troops to the Kuwait border. They declined following the easing of tension but then increased in the second half of October, in part reflecting strong crude demand by European refiners and, towards the end of the month, sharp increases in gasoline prices due to the product pipeline problems in the US Gulf coast. The dated Brent/Russian Urals differential narrowed sharply to \$0.14/bbl towards the end of the month. Gasoline prices increased markedly in October reflecting tighter supply, lower stock levels and the ruptures of the Colonial pipeline in the US. Prices of low sulphur heavy fuel oils also increased sharply in Europe and the US.
- In October, refining margins in the three major markets recovered significantly early in the month from the low levels near the end of September. In September, the aggregate refinery throughputs in Europe, Japan and the US decreased from 31.0 mb/d in August to 30.4 mb/d with significant decreases in both the US and Japan. Preliminary indications for October suggest somewhat higher throughput levels in Europe, little change in Japan and a further decrease in US throughputs.

## DEMAND

### Summary

- In September, Japanese oil demand increased by 12.0%, primarily due to increased demand for residual fuel oil and crude oil for power generation. US oil demand in September decreased by 2.0% due, in part, to demand weakness for fuel oil in the power generation sector. Demand for the four largest oil-consuming countries in Europe increased by 1.2%.
- 3Q94 OECD oil demand is estimated to have increased by 1.0 mb/d to 39.6 mb/d, unchanged from last month's Report. OECD oil demand in 4Q94 is projected to increase by 0.3 mb/d to 40.7 mb/d, an upward revision of 0.1 mb/d. In 1995, OECD oil demand is projected to increase by 0.4 mb/d to 40.4 mb/d, reflecting continued economic growth which more than compensates for the assumption of a return to normal weather. This is an upward revision of 0.1 mb/d, reflecting stronger demand than previously assumed for OECD Pacific.
- Non-OECD oil demand has been revised downwards 0.1 mb/d in 3Q94, by 0.2 mb/d in 4Q94 and by 0.1 mb/d in 1995, primarily as a result of revisions to Chinese demand. Non-OECD oil demand, excluding the FSU, is projected to grow by about 4% in both 1994 and 1995, increasing by 0.9 mb/d in 1994 and by 1.0 mb/d in 1995. Total non-OECD demand is expected to rise by 0.1 mb/d in 1994 and 0.7 mb/d in 1995, the stronger growth in 1995 reflecting an assumed reduction in the rate of decline in FSU demand.

**OECD Oil Demand 1991 - 1994**  
(million barrels per day)



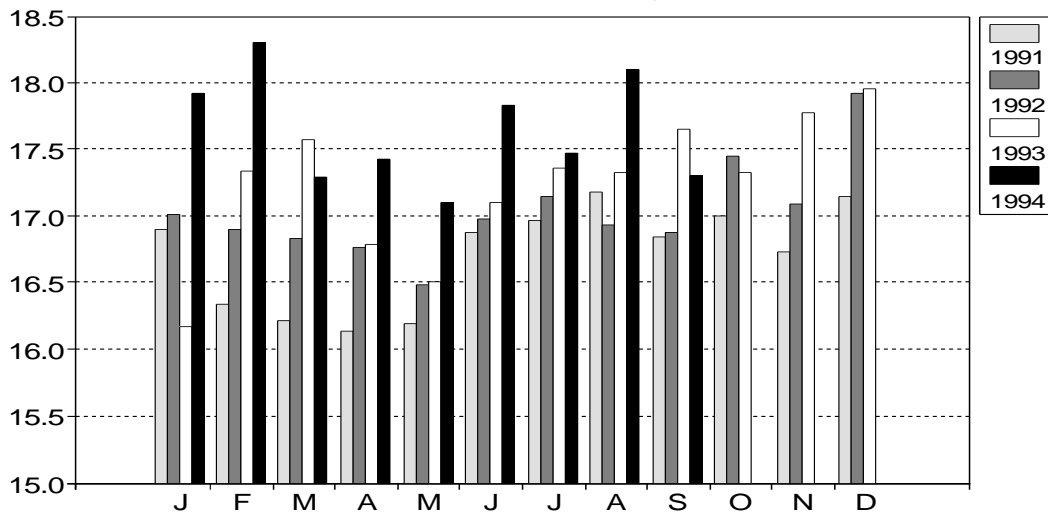
### OECD

#### The Third Quarter of 1994

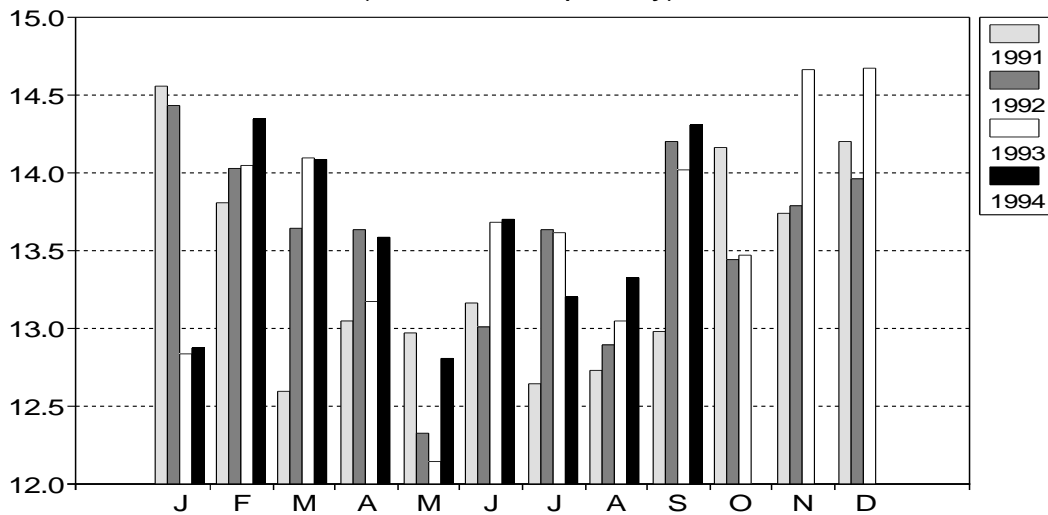
In the third quarter of 1994, OECD oil demand is estimated to have increased by 1.0 mb/d or 2.6% to 39.6 mb/d, unchanged from last month's report. Weaker than anticipated demand in North America and Europe was offset by stronger than expected demand in Japan. Although the hot, dry weather in Japan came to an end in early September leading to a decline in oil burning for power generation, oil deliveries to the electricity utilities remained strong as the power companies replenished depleted stocks. OECD Pacific oil demand for 3Q94 has been increased by 0.1 mb/d from last month's Report and is now estimated to have increased by 0.8 mb/d or 13.2% to 6.4 mb/d. It should be remembered that this substantial increase is compared with a period of very weak demand in 3Q93 due to cool, wet weather.

North American demand is estimated to have increased by 0.2 mb/d or 1.1% to 19.6 mb/d. This is a downward revision of slightly more than 0.1 mb/d from last month's Report due to weak US demand in September, particularly fuel oil demand. Oil demand for OECD Europe is estimated to have remained at 13.6 mb/d, an annual increase of 0.3%. This demand estimate is a downward revision of less than 0.1 mb/d, consistent with the weakness in European demand highlighted in last month's Report.

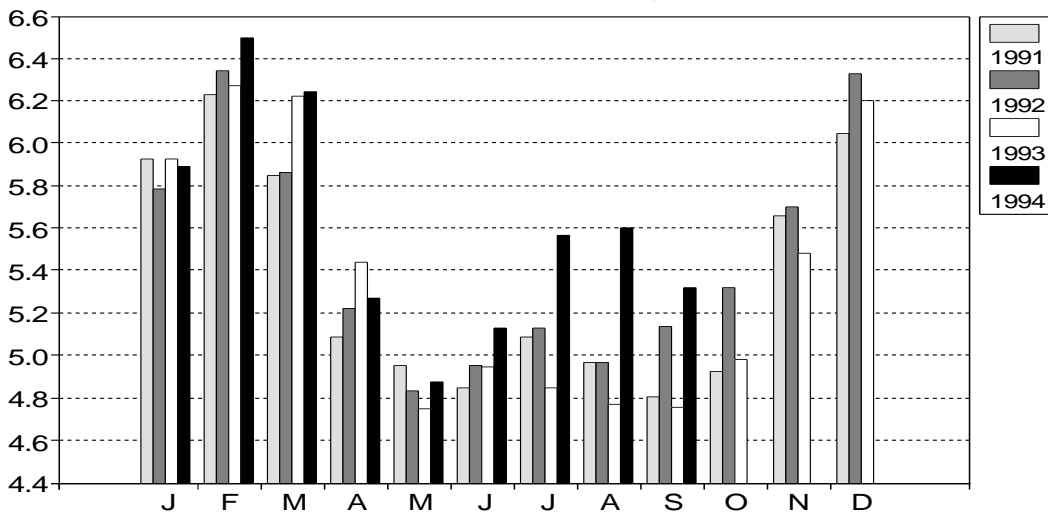
**US Oil Demand 1991 - 1994**  
(million barrels per day)



**European Oil Demand 1991 - 1994**  
(million barrels per day)



**Japanese Oil Demand 1991 - 1994**  
(million barrels per day)



## Third Quarter OECD Oil Demand by Region

(mb/d)

	3Q93	3Q94	Change	
			mb/d	%
North America	19.4	19.6 <sup>r</sup>	+0.2	+1.1
Europe	13.6	13.6 <sup>r</sup>	-	+0.3
Pacific	5.7	6.4 <sup>r</sup>	+0.8	+13.2
OECD Total	38.6	39.6	+1.0	+2.6

<sup>r</sup> revised since last Oil Market Report  
Totals may not add due to rounding

## Preliminary Data for September 1994

Table 2 at the back of the Report shows total oil demand in July, while Table 3 gives demand in August for the seven largest OECD countries. The table below provides preliminary estimates for inland deliveries for these countries in September.

## Preliminary Inland Deliveries September 1994

	Motor Gasoline		Gasoi/Diesel		Residual Fuel Oil		Total Products <sup>2</sup>	
	mb/d	% change	mb/d	% change	mb/d	% change	mb/d	% change
USA <sup>3</sup>	7.53	-1.0	3.02	+1.7	0.69	-41.0	17.30	-2.0
Canada	0.64	+1.3	0.42	+7.7	0.10	-2.0	1.47	+0.1
Japan	0.89	+7.7	1.17	+4.3	0.75	+25.9	4.93	+12.0
France	0.39	-2.5	0.82	+23.4	0.07	-15.1	1.79	+9.3
Germany	0.76	-2.1	1.32	-10.5	0.13	-2.6	2.85	-4.7
Italy	0.42	+4.4	0.48	+1.2	0.52	+7.7	1.85	+3.8
UK	0.54	-0.6	0.45	+6.3	0.16	-18.9	1.65	+0.9
European Four	2.10	-0.6	3.07	+1.2	0.88	-1.8	8.15	+1.2
Total	11.16	-0.2	7.68	+2.2	2.43	-12.4	31.85	+0.8

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

<sup>1</sup> excludes refinery fuel and bunkers (except for US)

<sup>2</sup> includes other products not shown and direct use of crude oil

<sup>3</sup> 50 states only

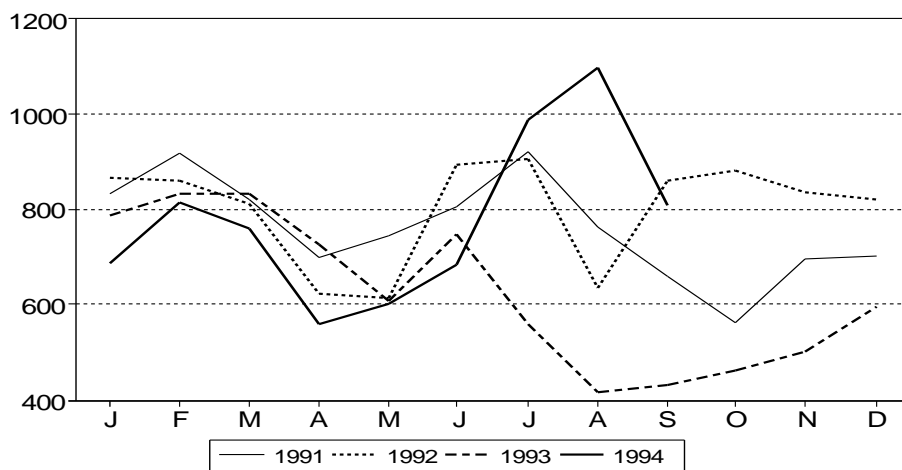
Percentage change is calculated versus September 1993

In September, **US** oil demand is estimated to have declined by 2.0% to 17.30 mb/d compared to a revised growth rate for August of 5.9%. The major factor contributing to demand weakness was a 41.0% decline in demand for fuel oil due to a continued price premium over natural gas for power generation use. In addition, increased electricity production from existing nuclear plants has reduced the size of the marginal market in which fuel oil and natural gas compete for market share. Motor gasoline deliveries were weak, decreasing by 1.0% in September, the greatest decline in annual growth rate since January 1993 due, in part, to wholesaler destocking ahead of the conversion to winter grade gasoline and eventually to reformulated gasoline. Gasoi/diesel demand increased by 1.7% to 3.02 mb/d despite slightly milder weather than last year but weak demand growth may also reflect delayed purchasing ahead of the winter heating season. The potential delay to stockbuilding until 4Q94 is discussed later in this section.

In **Europe**, oil demand in September in the four largest oil-consuming countries increased by 1.2% to 8.15 mb/d, the highest growth rate since May of this year. In **Germany**, oil demand decreased by 4.7% with declines in demand seen for all major products. The sharpest reduction in demand (10.5%) was for gasoi, in part, reflecting a lower build of consumer stocks. Strong oil demand growth was seen, however, in **France** where demand increased by 9.3% due, mainly, to a 37.2% increase in heating oil as particularly low stock levels were replenished ahead of the heating season. Demand weakness continued to be evident in the motor gasoline market where deliveries declined by 2.5%. Total oil demand in the **UK** increased by 0.9% supported, in part, by strong demand growth for diesel, the latter reflecting increased economic activity and the continuing switch to diesel in the private car sector. Residual fuel oil demand declined by 18.9% as a result of continuing loss of market share by fuel oil in the power generation sector to new gas fired power generation. In **Italy**, oil demand increased by 3.8% in September with demand growth taking place in all the major product markets. Total Italian fuel oil demand increased by 7.7%, although ENEL met part of its demand for fuel oil through a stock drawdown. Motor gasoline demand in Italy increased by 4.4% almost offsetting demand declines in Germany, France and the UK.

In **Japan**, oil demand increased by 12.0% in September, primarily due to a 114.4% increase in crude oil for power generation and a 25.9% increase in residual fuel oil demand. It should be noted however, that demand for these two products was particularly low last year due to cool, wet weather which reduced oil demand for the power generation sector (see graph). Although the recent period of unseasonably hot, dry weather finally ended in early September, many of the Japanese electricity utilities subsequently began to replenish depleted stocks. In addition to these weather related effects, the underlying strength of the economic recovery and its impact on oil demand is illustrated by 7.7% and 6.7% increases in motor gasoline and diesel demand respectively. Motor gasoline demand for the first nine months of this year has increased 5.1% over the equivalent period last year.

### Japanese Oil Deliveries in Electricity Generation\* (thousand barrels per day)



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

### The Fourth Quarter of 1994

In the fourth quarter of 1994, OECD oil demand is projected to increase by 0.3 mb/d or 0.8% to 40.7 mb/d. This forecast is an upward revision of slightly less than 0.1 mb/d from last month's Report. Oil demand growth in North America is projected to be 0.2 mb/d or 1.2% higher at 19.9 mb/d. This figure may be subject to upward revision if preliminary US demand data for September remains unchanged. Deliveries of US gasoline fell markedly in September as wholesalers reduced stocks of summer grade gasoline in preparation for winter grade gasoline and eventually reformulated gasoline. Stockbuilding may therefore be delayed until 4Q94 which could contribute to increased demand in 4Q94. On the other hand, the weak US demand in September could be a counterbalance to the strong demand in August resulting in no significant impact on demand in 4Q94. Due to these conflicting factors, the US 4Q94 demand projection remains unchanged from last month's Report.

Oil demand in OECD Europe is forecast to decline by 0.1 mb/d or 0.4% to 14.2 mb/d, an upward revision of 0.1 mb/d from last month's Report. In spite of this upward revision, a year-on-year decline in European oil demand is still forecast for 4Q94 reflecting, in part, colder than normal weather in the fourth quarter of 1993, and stockbuilding ahead of tax increases in 1Q94. Although further tax increases in France and Spain are now expected in 1Q95, the effect on stockbuilding in 4Q94 is likely to be smaller than last year. In Italy, ENEL is assumed to stockbuild in 4Q94 to replenish depleted stocks. Oil demand in the OECD Pacific region is projected to increase by 0.1 mb/d or 2.2% to 6.6 mb/d due to continuing strong economic growth. In addition, stronger demand is expected from utilities recognising the high level of stocks at the beginning of 4Q93 following the cool, wet summer.

**Fourth Quarter OECD Oil Demand by Region**

(mb/d)

	4Q93	4Q94	Change	
			mb/d	%
North America	19.7	19.9	+0.2	+1.2
Europe	14.3	14.2 <sup>r</sup>	-0.1	-0.4
Pacific	6.5	6.6	+0.1	+2.2
<b>OECD Total</b>	<b>40.4</b>	<b>40.7<sup>r</sup></b>	<b>+0.3</b>	<b>+0.8</b>

<sup>r</sup> revised since last Oil Market Report  
Totals may not add due to rounding

**Demand Projections for 1994**

Although there was a revision to OECD demand in the fourth quarter of 1994, total OECD demand for 1994 remains unchanged since last month's Report. OECD demand is projected to increase by 0.9 mb/d or 2.2% to 39.9 mb/d.

**1994 OECD Oil Demand by Region**

(mb/d)

	1993	1994	Change	
			mb/d	%
North America	19.2	19.7	+0.5	+2.6
Europe	13.6	13.7	+0.1	+0.8
Pacific	6.3	6.5	+0.3	+4.2
<b>OECD Total</b>	<b>39.1<sup>r</sup></b>	<b>39.9</b>	<b>+0.9</b>	<b>+2.2</b>

<sup>r</sup> revised since last Oil Market Report  
Totals may not add due to rounding

**Demand Projections for 1995**

In 1995, OECD oil demand is projected to increase by 0.4 mb/d or about 1% to 40.4 mb/d. This forecast is an upward revision of 0.1 mb/d from last month's Report, in part reflecting stronger demand than previously assumed for OECD Pacific. OECD annual oil demand growth in 1995 of about 1% compares with 2.2% growth expected for 1994 and takes into account particular weather effects in 1994: firstly, the cold first quarter in North America and secondly, the hot, dry third quarter in Japan.

**1995 OECD Oil Demand Projections**

	1Q95		2Q95		3Q95		4Q95		1995	
	mb/d	change	mb/d	change	mb/d	change	mb/d	change	mb/d	change
North America	19.7 <sup>r</sup>	-0.1	19.7	+0.3	20.0	+0.4	20.2	+0.3	19.9	+0.2
Europe	14.0 <sup>r</sup>	+0.3	13.5	+0.2	13.8	+0.2	14.4	+0.2	13.9	+0.2
Pacific	7.2	+0.1	6.1	+0.1	6.1	-0.4	6.7	+0.1	6.5 <sup>r</sup>	-
<b>Total</b>	<b>41.0<sup>r</sup></b>	<b>+0.3</b>	<b>39.3</b>	<b>+0.5</b>	<b>39.9</b>	<b>+0.3</b>	<b>41.3</b>	<b>+0.6</b>	<b>40.4<sup>r</sup></b>	<b>+0.4</b>

<sup>r</sup> revised since last Oil Market Report  
Totals may not add due to rounding

In North America, oil demand is projected to increase in 1995 by 0.2 mb/d or slightly more than 1% to 19.9 mb/d, unchanged from last month's Report. This slowdown of growth compared with 1994 reflects the combined effects of the forecast slowdown in economic growth and the assumed return to normal weather. Assuming normal weather conditions, 1Q95 demand for North America is projected to decrease by 0.1 mb/d to 19.7 mb/d. This is a downward revision by 0.1 mb/d from last month's Report and reflects a reassessment of the weather effect in 1Q94 on oil demand. In Europe, oil demand is projected to increase in 1995 by 0.2 mb/d or nearly 2% to 13.9 mb/d, unchanged from last month's Report. The main reason for the stronger growth in oil demand compared with 1994 is the projected strengthening of economic growth. 1Q95 European oil demand is expected to increase by 0.3 mb/d or slightly over 2% to 14.0 mb/d. This is a downward revision of 0.1 mb/d from last month's Report reflecting the reappraisal of the effect of tax increases on increased stockbuilding in 4Q94.

In OECD Pacific, oil demand in 1995 is projected to decrease by 0.4% to 6.5 mb/d, an upward revision of 0.1 mb/d from last month's Report. This is unchanged from the projected demand for 1994 and reflects the effect of the forecast increase in economic growth offset by the assumed return to normal weather which it will be seen in the table above is expected to reduce demand by 0.4 mb/d in 3Q95.

## Non-OECD

### China

Recently published trade statistics indicate a marked slowdown in crude oil and product imports in 3Q94, reflecting the increasing effect of import restrictions which were imposed by the Chinese government in March of this year. The government issued a temporary restriction on the import of crude and products under spot contracts in an attempt to reduce domestic stock levels which, earlier in the year, were threatening to restrict domestic crude production and refinery throughputs in the eastern provinces. The problem of physical oversupply of the Chinese market in the earlier part of this year highlighted both the limitations of onshore storage capacity at refineries and of transportation capacity and changes in central government planning which especially affected the rapidly expanding economies of southern China.

It would appear that *apparent* consumption in 3Q94 (calculated by netting off trade and production) has declined by 7% resulting in oil demand for the first nine months of this year increasing by under 4%. However, this calculation ignores the effect of stock changes and it is believed that *underlying* oil consumption (allowing for assumed stock changes) is far higher than suggested by apparent consumption. Underlying consumption in 3Q94 has increased as demand has been met, in part, by a marked stock drawdown. Nevertheless, underlying demand growth in 3Q94 is believed to have been less than previously anticipated reflecting some effect of supply constraints on oil use. On the basis that import restrictions remain in place in 4Q94, underlying oil consumption for 1994 is expected to be lower than previously anticipated.

On the basis of this data and analysis, Chinese underlying oil consumption (as shown in Table 1) has been revised from last month's Report. Chinese oil demand in 1994 is now estimated to have increased by 0.1 mb/d or under 5% to 3.1 mb/d. This is a downward revision of 0.1 mb/d from last month's Report reflecting lower than anticipated demand in the second half of the year. In 1995, Chinese oil demand is projected to increase by 0.1 mb/d or nearly 7% to 3.2 mb/d. This is a downward revision by 0.1 mb/d from last month's Report reflecting lower demand in 1994 and an anticipated economic slowdown in 1995 from the high level in 1994. Nevertheless, the rate of growth in oil demand in 1995 is expected to be higher than 1994, assuming an easing of the import restrictions at some point in 1995.

### South Africa

Increased availability of demand data just now being published permits an analysis of South Africa demand to be made. South African oil demand represents 19% of total African demand, second only to Egypt. Although oil demand grew strongly in South Africa during the 1980s, demand growth slowed considerably in recent years prior to the latest political reforms. The most recent data suggests a recovery in demand growth led, in part, by motor gasoline. Gasoline demand growth has been driven in recent years by urbanisation and the expansion of vehicle ownership in the black community. In particular a move towards gasoline-fuelled mini-vans in the townships has taken market share from diesel-fuelled coaches. Jet fuel demand has also grown most recently reflecting increased international tourist demand.

A main feature of South African demand is the low requirement for fuel oil (excluding bunkers) which, in 1993, represented only 1.9% of total oil demand compared with a global average of 16%. Electricity generation and heavy industry rely almost exclusively on indigenous coal supplies, which has severely restricted the use of fuel oil in these markets. The very light product mix is met in two ways. There is a high level of conversion facilities in the refineries and a significant portion of the demand for light products is met by synfuels produced from indigenous coal.

South African oil demand increased by 7.1% year-on-year in the second quarter of 1994. This compares with annual growth of 1.3% for the whole of 1993. Demand growth was seen for all products but was particularly significant for kerosene (26.1%), bunkers (32.9%) and residual fuel oil (41.8%) which all grew from a low base. Motor gasoline demand increased by 8.7% in 2Q94 and represented 49% of total oil demand.

### South African Oil Demand 2Q94<sup>1</sup>

(kb/d)

	1992	1993	2Q93	2Q94	Change	
					kb/d	%
NGL/LPG	8	9	9	9	-	+4.6
Naphtha	1	1	1	1	-	-
Motor Gasoline	151	153	147	160	+13	+8.7
Aviation Fuels	18	19	19	20	+1	+4.2
Kerosene	11	12	12	15	+3	+26.1
Gas Diesel	82	83	77	84	+7	+9.0
Residual Fuel	7	6	5	7	+2	+41.8
Other Products <sup>2</sup>	50	51	47	51	+4	+8.5
Bunkers	53	41	33	43	+11	+32.9
<b>Total</b>	<b>374</b>	<b>379</b>	<b>354</b>	<b>379</b>	<b>+25</b>	<b>+7.1</b>
Annual Growth (%)	1.3					

1 Excludes former "homelands"

2 Other Products are estimated

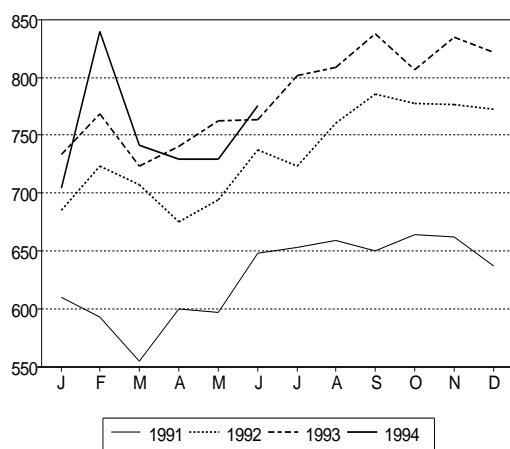
Totals may not add due to rounding

### Indonesia

Indonesian oil demand declined by 1.2% in the second quarter of 1994. This compares with an annual oil demand growth rate of 7.5% for the whole of 1993. Strong demand growth for motor gasoline and kerosene, which grew by 10.4% and 3.7% respectively, was outweighed by a sharp demand decrease in

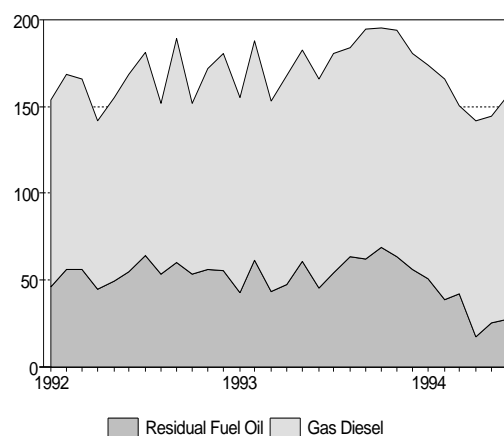
**Indonesian Oil Demand**  
January 91 - June 94

(million barrels per day)



**Oil Demand for Electricity Generation**  
January 92 - June 94

(million barrels per day)



residual fuel oil which declined by 28 kb/d or 35.7%. The decline in demand for fuel oil was most marked in the power generation sector, as is shown in the following chart. The decline in demand from October 1993 to June 1994 was 60%, which reflects not only the seasonal variation in electricity demand but also recent increased substitution of residual fuel oil in the power generation mix, in part, through the introduction of new gas fired generation capacity.

### Indonesian Oil Demand 1990 - 2Q94<sup>1</sup>

(thousand barrels per day)

	1990	1991	1992	1993	2Q93	2Q94	kb/d	%
NGL/LPG	6	6	7	8	8	9	+1	+19.0
Naphtha	10	16	23	26	26	26	-	+5.0
Motor Gasoline	110	117	124	128	126	140	+114	+10.4
Aviation Fuels	20	19	22	25	29	32	+3	+11.2
Kerosene	135	138	147	148	148	153	+5	+3.7
Gas Diesel	233	249	282	318	301	296	-5	-1.4
Residual Fuel	68	78	79	85	79	51	-28	-35.7
Other Products	17	17	16	17	15	13	-2	-10.8
Refinery Fuels	20	20	40	38	35	37	+2	+6.6
Bunkers	10	5	5	5	5	4	-1	-14.9
<b>Total Demand</b>	<b>627</b>	<b>665</b>	<b>744</b>	<b>800</b>	<b>771</b>	<b>762</b>	<b>-9</b>	<b>-1.2</b>
<b>Annual Growth (%)</b>	<b>8.9</b>	<b>6.1</b>	<b>11.9</b>	<b>7.5</b>				

<sup>1</sup> Excludes own use of non-refinery fuel products by the oil industry eg, employees' personal product use  
Totals may not add due to rounding

### Revisions to 1994 Non-OECD Demand

In 1994, non-OECD oil demand is projected to increase by 0.1 mb/d or 0.4% to 28.2 mb/d. This is a downward revision of 0.1 mb/d from last month's Report reflecting, in part, the slower than anticipated demand growth in China in 3Q94 and the consequent downward revision of Chinese demand in 4Q94.

### 1994 Non OECD Oil Demand

(mb/d)

	1993	1994	Change	
			mb/d	%
First Quarter	28.5	28.7	+0.2	0.5
Second Quarter	27.8	27.6 <sup>r</sup>	-0.2	-0.9
Third Quarter	27.2	27.6 <sup>r</sup>	+0.4	1.5
Fourth Quarter	28.8	29.0 <sup>r</sup>	+0.1	0.5
<b>Year</b>	<b>28.1</b>	<b>28.2<sup>r</sup></b>	<b>+0.1</b>	<b>0.4</b>

<sup>r</sup> revised since last Oil Market Report  
Totals may not add due to rounding

### Non-OECD Demand Projections for 1995

Non-OECD oil demand is projected to increase in 1995 by 0.7 mb/d or about 2.5% to 28.9 mb/d, a downward revision of 0.1 mb/d from last month's Report. This is due, in part, to a reassessment of Chinese demand as discussed earlier in this section. Another major area of uncertainty is the oil demand projection for the FSU. Oil demand in the FSU is projected to decrease by 0.3 mb/d or 7% to 4.5 mb/d, unchanged from last month's Report. The annual decline in demand of 7% projected for the FSU in 1995 compares with the equivalent figure of 18.7% and 14.4% in 1993 and 1994 respectively.

Non-OECD demand is projected to increase by 0.5 mb/d or nearly 2% to 29.2 mb/d in 1Q95. This is an upward revision of 0.1 mb/d from last month's Report due, in part, to an upward revision of East European oil demand following a reassessment of demand data for 1994.

**1995 Non-OECD Oil Demand by Quarter**

(mb/d)

	1994	1995	Change
			mb/d
First Quarter	28.7	29.2 <sup>r</sup>	+0.5
Second Quarter	27.6	28.3	+0.7
Third Quarter	27.6 <sup>r</sup>	28.3	+0.8
Fourth Quarter	29.0 <sup>r</sup>	29.7	+0.8
Year	28.2 <sup>r</sup>	28.9 <sup>r</sup>	+0.7

<sup>r</sup> revised since last Oil Market Report  
Totals may not add due to rounding

The effect of the continuing decline in FSU demand on total non-OECD demand has, in recent years, tended to hide strong growth in oil demand in the rest of the non-OECD area. Excluding the FSU, non-OECD oil demand is projected to increase by about 4% in both 1994 and 1995, growing by 0.9 mb/d in 1994 and by 1.0 mb/d in 1995.

**Revisions to 1994 Global Demand**

In 1994, global oil demand is projected to increase by 1.0 mb/d or 1.5% to 68.1 mb/d. This is a downward revision of 0.1 mb/d from last month's Report due, in part, to the slowdown in demand growth in China in the second half of 1994 (as discussed earlier in this section). The projected global oil demand growth in 1994 of 1.5% compares with the slight decline seen in 1993 and reflects strong demand growth in both the OECD and non-OECD areas excluding the Former Soviet Union, more than offsetting a continuing decline in FSU demand.

**1994 World Oil Demand**

(mb/d)

	1993	1994	Change	
			mb/d	%
First Quarter	68.1	69.3	+1.2	1.8
Second Quarter	65.4	66.3 <sup>r</sup>	+0.9	1.3
Third Quarter	65.8	67.2 <sup>r</sup>	+1.4	2.2
Fourth Quarter	69.2	69.7 <sup>r</sup>	+0.5	0.7
Year	67.1	68.1 <sup>r</sup>	+1.0	1.5

<sup>r</sup> revised since last Oil Market Report  
Totals may not add due to rounding

**Global Demand Projections for 1995**

Global oil demand in 1995 is projected to increase by 1.1 mb/d or nearly 2% to 69.3 mb/d, unchanged from last month's Report. The 1.1 mb/d increase in demand is slightly greater than the increase projected for 1994, with the slowdown in OECD demand being more than offset by the assumed decrease in the rate of decline of FSU demand.

**1995 World Oil Demand by Quarter**

(mb/d)

	1994	1995	Change
			mb/d
First Quarter	69.3	70.2	+0.8
Second Quarter	66.3 <sup>r</sup>	67.6	+1.3
Third Quarter	67.2 <sup>r</sup>	68.2	+1.0
Fourth Quarter	69.7 <sup>r</sup>	71.1	+1.4
Year	68.1 <sup>r</sup>	69.3	+1.1

<sup>r</sup> revised since last Oil Market Report  
Totals may not add due to rounding

## SUPPLY

### Summary

- Nigerian output continued to expand in October as oil companies tried to make up for production lost during the workers' strikes this summer. It is estimated that Nigerian output exceeded 2 mb/d for the first time since February, bringing OPEC crude oil production up to 25.2 mb/d for October.
- OECD oil production remains on track to show a 1 mb/d quarterly increase in 4Q94 compared with 3Q94, as North Sea oil fields continue to surpass expectations and Alaskan production begins to benefit from the second phase of the gas-handling project at the Prudhoe Bay field.
- Non-OECD, non-OPEC production is seen recovering from September's month-on-month decline that resulted primarily from the brief oil workers strike in Brazil and lower production in the FSU. October output is thought to have increased by about 275 kb/d as production began or was increased at new oil fields in several countries, including Colombia, Vietnam, India, Malaysia, and Angola.
- Monthly data for July FSU net exports were slightly higher than expected, as were preliminary weekly data for October. It is thought that a larger volume of exports from non-Russian republics accounted for most of the change and that the trend could continue. Consequently, estimated net FSU exports are being raised marginally to 2.5 mb/d from 2.4 mb/d in 3Q94 and also by 0.1 mb/d to 2.1 mb/d in 4Q94, while 1995 net exports have been increased by 0.2 mb/d to 2.2 mb/d from 2.0 mb/d.

### Non-OPEC Oil Supply

(million barrels per day)

	1992	1993	1994 <sup>e</sup>	1995 <sup>e</sup>	4Q93	1Q94	2Q94	3Q94 <sup>p</sup>	4Q94 <sup>e</sup>
<b>Crude Oil</b>									
North America	8.53	8.27	8.12	7.89	8.30	8.21	8.08	8.01	8.20
United States	7.17	6.85	6.66	6.43	6.86	6.76	6.61	6.56	6.73
Canada	1.36	1.43	1.46	1.46	1.44	1.45	1.47	1.46	1.47
Europe	4.52	4.80	5.55	5.60	5.31	5.40	5.49	5.32	5.96
North Sea	4.08	4.38	5.13	5.15	4.89	4.98	5.08	4.90	5.54
UK*	1.76	1.92	2.39	2.34	2.23	2.27	2.32	2.32	2.63
Norway	2.12	2.26	2.50	2.58	2.44	2.47	2.52	2.34	2.67
Other North Sea**	0.20	0.20	0.24	0.24	0.23	0.24	0.25	0.23	0.24
Other Europe	0.44	0.42	0.42	0.45	0.42	0.42	0.41	0.42	0.42
Pacific	0.59	0.55	0.60	0.66	0.51	0.57	0.58	0.62	0.64
Australia	0.53	0.50	0.54	0.61	0.45	0.52	0.52	0.56	0.58
Other Pacific	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06
<b>Total OECD</b>	13.64	13.62	14.27	14.15	14.12	14.19	14.15	13.95	14.80
Latin America	4.93	5.02	5.19	5.56	5.15	5.13	5.10	5.20	5.34
Asia (incl. China)	7.38	7.51	7.70	7.92	7.61	7.74	7.57	7.66	7.83
Africa	1.87	1.86	1.86	2.01	1.87	1.86	1.83	1.86	1.90
Other Middle East	1.48	1.60	1.76	1.84	1.70	1.72	1.76	1.76	1.81
Central and East Europe	0.25	0.25	0.24	0.24	0.24	0.24	0.24	0.24	0.24
<b>Total Non-OECD (ex. FSU)</b>	15.90	16.24	16.76	17.58	16.58	16.69	16.50	16.72	17.12
Russia	7.70	6.66	5.99	5.49	6.32	6.01	6.05	6.05	5.87
Other Republics	0.88	0.81	0.75	0.84	0.80	0.74	0.74	0.75	0.78
<b>Total FSU</b>	8.58	7.47	6.75	6.33	7.12	6.75	6.78	6.80	6.65
<b>NGLS &amp; OTHER</b>									
United States	1.83	1.97	1.99	2.03	1.93	1.94	1.92	2.01	2.07
Canada	0.70	0.75	0.78	0.82	0.80	0.80	0.72	0.77	0.84
North Sea	0.26	0.31	0.44	0.55	0.39	0.44	0.42	0.40	0.52
Russia	0.22	0.20	0.17	0.18	0.19	0.21	0.15	0.17	0.17
Other Non-OPEC	1.33	1.41	1.43	1.53	1.43	1.41	1.39	1.43	1.49
<b>Total NGLs &amp; Other</b>	4.34	4.64	4.82	5.11	4.74	4.80	4.60	4.78	5.09
Processing Gains	1.50	1.45	1.50	1.50	1.45	1.50	1.50	1.50	1.50
<b>Total Non-OPEC Supply</b>	<b>41.12</b>	<b>40.51</b>	<b>41.12</b>	<b>41.65</b>	<b>41.06</b>	<b>40.92</b>	<b>40.59</b>	<b>40.81</b>	<b>42.17</b>

<sup>e</sup> estimated

<sup>p</sup> preliminary

\* excluding on-shore production

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

## OECD

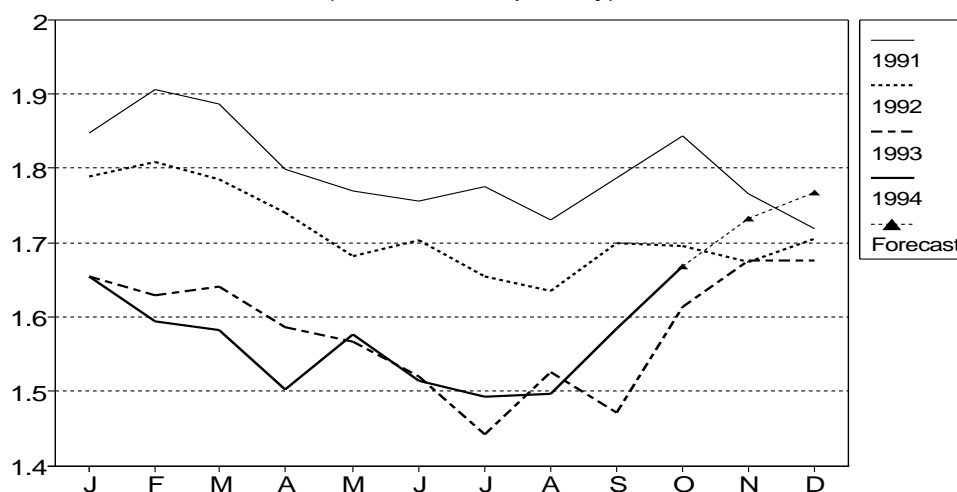
October OECD oil production is estimated to have increased by more than 0.5 mb/d to 18.1 mb/d versus 17.6 mb/d in September, about two-thirds of the increase is thought to have occurred in the North Sea and one-third in North America. A small month-on-month rise is also projected for Australia. The preliminary evidence for October continues to support the projection of quarter-on-quarter and year-on-year increases in 4Q94 of 1.1 mb/d to 18.35 mb/d.

OECD oil supply in 1995 is expected to show a pattern of declining year-on-year growth, with the largest growth in 1Q95 of about 750 kb/d, smaller increases for 2Q95 and 3Q95 and a negative year-on-year comparison for 4Q95, as US production is projected to fall 410 kb/d short of 4Q94 levels. The comparisons for Europe reflect the limited number of new North Sea oil fields scheduled for 1995 and the rapid escalation of production in 1994 after the first quarter. Elsewhere, small gains are expected in Australia, due to development of new offshore Western Australia fields and in Italy, with the expansion of production at Val d'Agri in southern Italy.

### North America

Preliminary weekly data indicate an increase in US oil production of about 140 kb/d in October most of which appears to have occurred in Alaska. Gulf of Mexico production is also estimated to have risen modestly due to new field production, and normal seasonal increases in supply in the onshore are expected to have added about 25 kb/d to Lower 48 crude oil output. Disruptions to Texas oil supply due to the flood-related Colonial product pipeline outage and associated difficulties with crude lines in East Texas oil fields were thought to have had a minimal effect on Texas crude oil production. The October increases are in line with the projection of a 4Q94 quarter-on-quarter gain in total US oil output of around 235 kb/d, with 200 kb/d in Alaskan crude oil, including about 45 kb/d in NGLs, over depressed 1993 levels, and roughly 20 kb/d in new field production from the Gulf of Mexico. For 1995, year-on-year declines are projected for each of the quarters, with 1Q95 down 65 kb/d from 1Q94, 2Q95 down 90 kb/d, and the last two quarters down by 185 kb/d and 365 kb/d, respectively.

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



The positive impact of the GHX-2 project appears to have been reflected in the preliminary Alaskan production data for October, which show a 70 kb/d gain over September for Prudhoe Bay to nearly 1035 kb/d, the highest level since January. The Kuparuk and Endicott fields also recorded modest monthly production gains, bringing the total increase for Alaska to roughly 85 kb/d. The increase would have been higher except for some minor maintenance at Prudhoe Bay unrelated to the GHX-2 project and a short outage at the end of the month in the Kuparuk field.

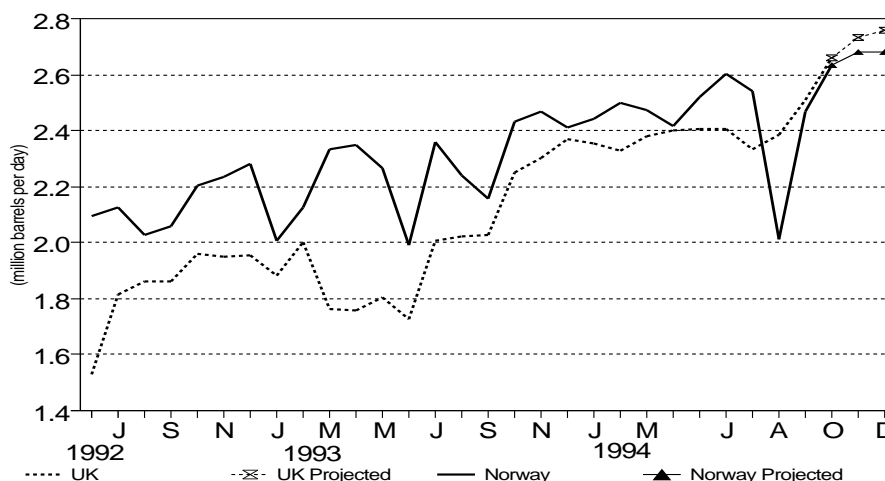
Total Canadian oil supply in August is estimated to have declined by about 100 kb/d, back to levels recorded in June, and to have dropped below that level in September, as a result of a drop of about 15 kb/d in synthetic crude oil output from the Suncor plant. October production is likely to have been higher due to seasonal increases in NGL production, a recovery in Suncor production and higher Alberta and Saskatchewan output of conventional crude to build crude oil stocks in advance of the Interprovincial

Pipeline expansion. Canadian production in 4Q94 is expected to be up about 65 kb/d from 4Q93 levels and 1Q95 output is projected to be 90 kb/d higher than 1Q94 as a result of the easing of pipeline constraints on the IPL system. The middle two quarters of 1995 are projected at 15-30 kb/d above the comparable 1994 quarters, but a 50 kb/d year-on-year decline is seen for 4Q95.

### North Sea

North Sea production rebounded sharply in September to over 5.6 mb/d from below 4.9 mb/d in August as the return of most of the major Norwegian fields from August maintenance added 570 kb/d. UK production also increased, but by about one-quarter of the Norwegian monthly increase, with the return of several of the Brent and Forties systems from July/August maintenance periods and increasing production from a few recently commenced fields. North Sea production is expected to have risen again in October by an additional 350 kb/d, split roughly equally between Norway and the UK, as the result of new field expansions in Norway and the return of more Forties system fields from maintenance in the UK. With production remaining near or above October levels for most North Sea fields, 4Q94 is projected to be 6.0 mb/d, 740 kb/d above 3Q94 and 800 kb/d more than in 4Q93. Next year's production from the North Sea is expected to register a much smaller increase of 185 kb/d, primarily in Norway, versus the 900 kb/d yearly rise estimated for 1994. The largest year-on-year gains are expected in the first and third quarters, the former as an effect of the fields brought on in early 1994 reaching full potential and the latter due to the assumption that maintenance will be shifted back to the more typical second quarter timing.

**UK/Norwegian Crude Oil Production**  
June 1992-December 1994



Oil production from the **UK** offshore is judged to have averaged 2.66 mb/d in September, including an estimated 240 kb/d of NGLs. The Brent and Osprey fields added about 20 kb/d each, following maintenance work in July and August. The Beryl and Gannet fields also returned from maintenance outages adding another 40 kb/d between them and there were production increases at Piper, Brae East, Nelson and Alba. The September levels represent new highs for the latter three fields and Piper had not reached September's 100 kb/d level since 1987. The major production event in the UK sector in October was the full month maintenance outage at the Brent system Tern field. However, the loss of 65-70 kb/d from Tern is thought to have been more than made up for by increases in several Forties system fields, the largest of which, nearly 60 kb/d, was due to the return of the Scott field from maintenance.

The upswing in **Norwegian** production in September and October was even more pronounced than the UK increases. September output advanced by roughly 570 kb/d primarily due to the return of Gullfaks, Ekofisk and several of the other Teeside system fields. The new Tordis and Sleipner East fields also recorded significant production increases and Draugen remained above 100 kb/d for the second month. Continuing maintenance at the Snorre and Statfjord fields reduced production at those fields by a combined 120 kb/d in September. The return of those two fields in October contributed to an additional 175 kb/d increase to an estimated October level of 2.87 mb/d. The start-up of the Statfjord East satellite added about 15 kb/d to the October average and is expected to contribute 30 kb/d to November output.

**Danish** production is reported by the Danish Energy Agency to have been up slightly in September to 176 kb/d from 172 kb/d in August due to a 5 kb/d increase in Tyra field production. The other nine

producing oil fields remained at or near their August levels. Production for the rest of the year is projected to remain in the 175-185 kb/d range. **Dutch** production appears to have remained around 50 kb/d in September and is also expected to stay at roughly that level through 4Q94, before declining slightly next year.

#### Australasia

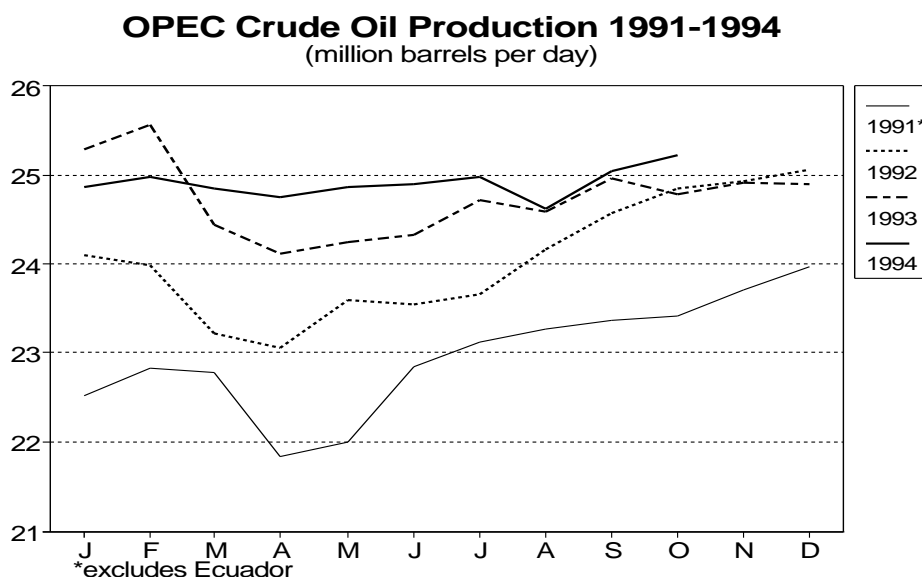
**Australian** production in August is estimated to have increased modestly to 635 kb/d due to higher output from Bonaparte Basin fields and from the Griffen and Thevenard fields in the Carnarvon Basin. The upward trend in Carnarvon production is expected to be added to by the onset of condensate production from the Goodwin project near the end of the year and commencement of production in March 1995 from the Wandoo B project. Extended production tests at Wandoo A which began in October of 1993 are contributing about 10 kb/d to Australian production. Wandoo B is targeted to reach 40 kb/d from 8 wells in mid-1995.

Data for 1993 and 1994 and projections for 1995 of **New Zealand** synthetics fuels production have been revised upward by 10-15 kb/d to reflect the inclusion of the natural gas based portion of methanol production. This is in addition to the oil-equivalent volumes of natural gas use in the Mobil synthetic gasoline process, roughly doubling the total "other supply" component of New Zealand supply. As mentioned in our 8 April 1994 Report, it is expected that similar upward revisions to include methanol and other gasoline additives will be occurring in other OECD and non-OECD countries, in line with the relatively rapid overall growth in demand in the future.

#### OPEC

OPEC production is thought to have risen by an additional 0.18 mb/d in October to 25.2 mb/d from 25.0 mb/d in September. The increase was almost entirely due to the continuing recovery in **Nigerian** production from a strike-reduced August level of under 1.5 mb/d to over 2 mb/d estimated for October. Production for the month from the rest of OPEC appears to have roughly matched September's level with maintenance related declines in **Qatar** and the **Neutral Zone** offsetting small increases elsewhere.

The first cargoes of **Saudi Arabian** Ultra Light crude oil from new fields in the Nejd region of central Saudi Arabia are scheduled to be shipped in the next few weeks to Japan and Singapore and it is expected that production of Arab Heavy and Arab Medium fields will be reduced correspondingly.



A new line has been added to Table 1, "Call on OPEC crude oil + stock change". This is merely an arithmetic subtraction of projected total non-OPEC supply and OPEC NGLs from global oil demand. No attempt is made to forecast either OPEC crude oil production or future stock changes. For comparison purposes, a similar calculation has been made for the historical time periods shown in the table, but it is important to note these data implicitly include the "Miscellaneous to balance" category shown in the stock section of the table and thus include any discrepancies in the historical supply/demand balance.

## Former Soviet Union (FSU)

### Production

Russian crude oil production in September is reported to have fallen by a little over 100 kb/d from August levels to 5.96 mb/d. More than one-third of the monthly decline was in the relatively small Komi producing area, probably due to the recently publicised oil spill, where output dropped by 27% from August to September. Production by the large Western Siberian Yugansk (YUKOS) production association was also down, by 27 kb/d or about 8% for the month, and output from the small Stavropol area bordering Chechenia and Ossetia declined by 11 kb/d or more than 60%. Daily output was down by smaller amounts for most of the other Russian production associations, although two of the three LUKoil affiliates showed small increases and Tatneft recorded a 20 kb/d gain for the month. Russian production is projected to decline further in 4Q94, but production in Kazakhstan and Azerbaijan are both expected to increase, resulting in a quarter-to-quarter decline in total FSU production of 150 kb/d following relatively constant production levels over the last two quarters.

The year-on-year declines in FSU production for 1995 are expected to be much smaller than those in 1994, especially in the first two quarters, when the 1994 declines were 960 kb/d and 810 kb/d, respectively. Projected 1Q95 and 2Q95 declines are 400-600 kb/d, but the comparisons for the last two quarters of 1995 are expected to be comparable to the decreases between the 1993 and 1994 quarters of 300-400 kb/d giving an average reduction for the year of about 400 kb/d.

### Exports

Data indicate that net FSU exports in July declined somewhat to 2.73 mb/d from 2.97 mb/d in June, with the month-on-month drop shared about equally between the Black Sea ports and Ventspils on the Baltic. Contrary to expectations, product exports decreased in July, but the drop in monthly crude oil exports was only half as large as anticipated. As a result, seaborne exports were about 0.15 mb/d higher than estimated in last month's report, while crude throughput of the Druzhba pipeline into Eastern Europe was about as expected. Small revisions have been made lowering the August estimate and raising September's, with the net result a 0.1 mb/d upward revision for 3Q94 net FSU exports. The preliminary weekly data for October show 2.3 mb/d in net exports, getting 4Q94 off to a stronger than expected start. However, pipeline problems at Ventspils in October and early November, unrelated to the widely publicised pipeline spill in Komi, suggest lower export levels for the last two months of the quarter. Weather, which appears to have been good in October, is often a factor constraining fourth quarter exports. However, even with lower exports during November and December, net exports for the quarter are now projected at 2.1 mb/d versus 2.0 mb/d shown in last month's Oil Market Report. The upward revision in 1995 production levels for the non-Russian republics is projected to raise 1995 net exports to 2.2 mb/d or 0.2 mb/d higher than previously assumed.

### Net FSU Exports January-September 1994

(million barrels per day)

	Q1	April	May	June <sup>r</sup>	Q2 <sup>r</sup>	July <sup>e</sup>	August <sup>e</sup>	Sept <sup>a</sup>	Q3	Oct
Black Sea Exports <sup>*</sup>	0.70	1.03	1.28	1.35	1.22	1.19	†	†	†	†
Baltic Exports	0.36	0.63	0.60	0.87	0.70	0.73	†	†	†	†
<b>Total Seaborne</b>	<b>1.06</b>	<b>1.66</b>	<b>1.89</b>	<b>2.22</b>	<b>1.91</b>	<b>1.92</b>	<b>1.78</b>	<b>1.39</b>	<b>1.64</b>	<b>1.49</b>
Druzhba Pipeline <sup>**</sup>	0.79	0.81	0.78	0.75	0.77	0.81	0.82	0.83	0.82	0.82
<b>Total Exports</b>	<b>1.85</b>	<b>2.46</b>	<b>2.66</b>	<b>2.97</b>	<b>2.67</b>	<b>2.73</b>	<b>2.59</b>	<b>2.22</b>	<b>2.46</b>	<b>2.31</b>
Imports	0.03	0.02	0.02	0.02	0.02	0.03	0.03	0.03	0.03	0.04
Net FSU Exports	1.82	2.44	2.64	2.95	2.64	2.70	2.56	2.19	2.49	2.27
NB:Crude Oil	1.56	2.09	2.13	2.21	2.12	2.01	1.97	1.69	1.91	1.77
Oil Products	0.26	0.36	0.51	0.74	0.52	0.69	0.60	0.50	0.59	0.50

\* Includes a small amount of non-Russian crude oil exports  
 † Data not available  
 e estimated

\*\* Crude oil only  
 r revised  
 a assumed

## Other Non-OPEC

### Latin America

The two major events in Latin American oil supply over the last month are the beginning of commercial production in the Colombian Cusiana field and the labour difficulties in Brazil. Production for the region is thought to have topped 6.1 mb/d in October, after dropping to 5.96 mb/d in September. About half of the monthly increase of 140 kb/d appears to have occurred in Brazil, with gains of 20-30 kb/d estimated to have occurred in Mexico and Colombia. Additional increases are expected in Latin American production in the last two months of 4Q94, as Cusiana production only commenced in mid-October and

as Mexican and Brazilian offshore output will increase. Three more production units are scheduled to be added at Cusiana in 1995 and production gains are expected in Argentina and Ecuador in addition to the continuation of the increases in Mexico and Brazil, bringing total Latin American oil output to nearly 6.5 mb/d by 4Q95.

Production from **Colombia's** Cusiana facility was increased from the 10 kb/d test levels to over 50 kb/d in mid-October, adding about 20 kb/d to the October average. A second production unit of 40-50 kb/d is planned for late this year or early next year, with two more similarly sized units tentatively scheduled for March and July. Production for 1995 is seen averaging just under 620 kb/d, about 145 kb/d higher than the projected 1994 level.

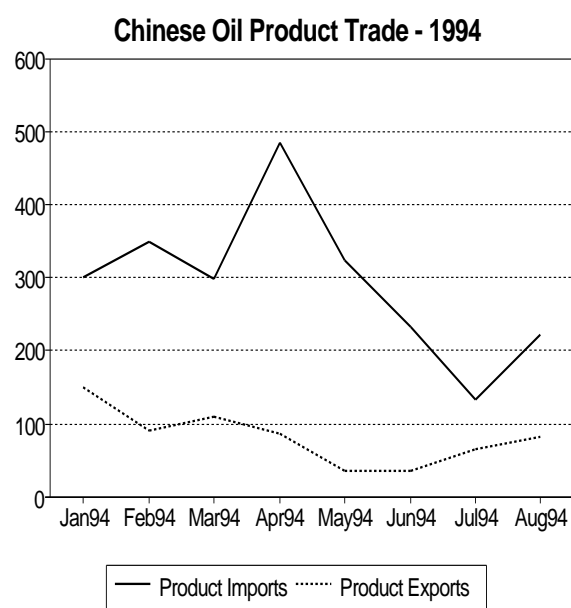
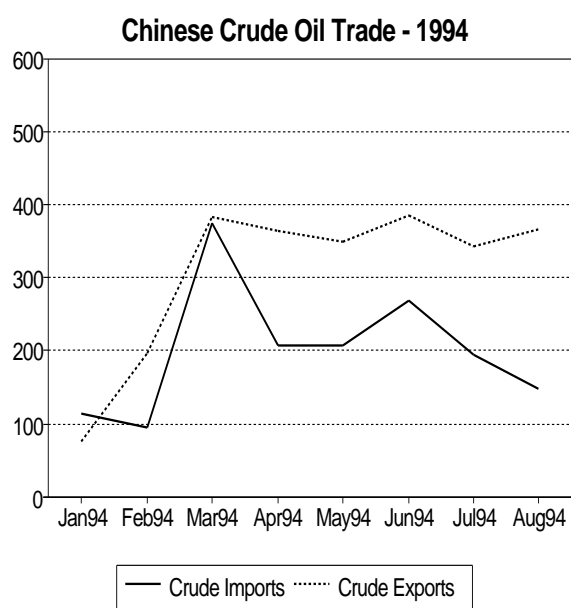
**Brazilian** output recovered in October following the nine-day oil workers' strike which ended the first week of October. Brazilian crude oil production is estimated to have increased from 590 kb/d in September to 660 kb/d in October, although official data are not yet available. According to state oil company Petrobras, August crude production was just over 700 kb/d. Production capacity including NGLs is thought to be close to 750 kb/d, a level which was nearly reached in early September. Production for 4Q94, including NGLs but not alcohol fuels, is expected to average 725 kb/d, but the estimate is subject to a significant downside sensitivity since another strike has been threatened for 10 November. Production is projected to rise steadily throughout the year, as offshore reserves are brought onstream, primarily in the Campos Basin, and to average roughly 785 kb/d, including about 35 kb/d of NGLs.

**Mexican** crude oil production remained at around 2.675 mb/d in August according to data recently released by PEMEX. NGL output rose an additional 10 kb/d versus July levels to 467 kb/d despite a small decline in natural gas production, with the increase in the heavier gas liquids and ethane production unchanged, the reverse of what had happened in July. Mexican exports were about 20 kb/d higher in August than July at just over 1.33 mb/d. The gain occurred in the lighter Olmeca and Isthmus grades as more Mayan crude was run in domestic refineries to make fuel oil for power generation to compensate for lost hydropower due to an ongoing drought in Western Mexico.

#### Asia

Increases in production are also expected in 4Q94 and 1995 for other non-OECD areas. Asian output is projected to show a 120 kb/d quarterly increase in 4Q94 due to higher production in China, India, Malaysia and Vietnam. The 1995 annual increase is slightly higher at 190 kb/d, with the same four countries providing the incremental oil.

Crude oil production continued its upward trend in **India** in August, surpassing 615 kb/d (660 kb/d including condensates), as offshore output exceeded 425 kb/d for the first time despite the impact of bad weather on Bombay High output. Production in the Nagaland onshore region, which was halted in early May, had not yet been restored by the end of August and environmental limitations on Assam production remained in force. Indian crude oil production is expected to average 620 kb/d during the last four months of the year and to continue to show quarterly increases of 5-10 kb/d in 1995.



Crude oil production in **China** is reported to have been about 40 kb/d lower in September, at 2.935 mb/d versus 2.895 mb/d in August. Offshore production and output from the Tarim Basin each was off by about 25 kb/d, the former probably due to several typhoons that hit the South China Sea during the month. Production at the Liaohe field increased by more than 25 kb/d to a yearly high of 310 kb/d, but production from China's largest field, Daqing, slipped by 10 kb/d to just over 1.1 mb/d. With more normal weather offshore and greater demand for Chinese onshore crudes by domestic refineries, 4Q94 is projected to average 2.99 mb/d versus 2.94 mb/d estimated for 3Q94. Quarterly increments of 10-20 kb/d are expected through 1995, with average production for the year at around 3.02 mb/d versus an estimated 2.97 mb/d in 1994.

China remained a small net oil exporter in August, of about 80 kb/d, as net crude oil exports exceeded net oil product imports. Gross product imports reversed their sharp three month decline in August, but lower crude oil imports and slightly higher oil product exports kept the overall Chinese oil trade balance positive. The positive balance is thought to have continued over the last two months, as import restrictions on both crude and product have been tightened and are expected to be maintained through the fourth quarter. Domestic product markets will likely be balanced by a combination of inventory drawdowns, from relatively high current levels, and somewhat slower demand growth (see the Demand Section). Over the longer term, it is unlikely that the growth in Chinese oil supply will be able to keep pace with demand growth.

**Malaysian** crude oil production has been revised downward by about 40 kb/d for the first nine months of 1994 to around 600 kb/d, but production is expected to increase by roughly 15-20 kb/d in each of the last two months of the year, primarily from the Bintulu field. Production is expected to remain near the 4Q94 average of 620 kb/d for the first three quarters of 1995 but then to increase to 655 kb/d in 4Q95 due to scheduled increases in the Miri and Dulang fields. As expected, the **Vietnamese** Dai Hung oil field started up in mid-October, adding about 30 kb/d to 4Q94 production. Output is expected to increase steadily during 1995 reaching 195 kb/d in the fourth quarter.

#### *Other Non-OECD*

Africa and non-OPEC Middle East producers are expected to contribute another 80 kb/d in 4Q94 and over 200 kb/d in 1995 as Angola, Oman, Egypt Yemen and Syria all add to production.

Production in **Angola** has an opportunity to expand significantly next year if the recently signed peace agreement between the government and the Unita rebels is able to hold despite early signs of continuing unrest this week. Cabinda output has been increasing slowly this year, but could be raised by an additional 10-15% with the onset of Kokongo field production. Even larger increments are expected from Block 2 and Block 3 fields being developed by Western oil companies. Angolan production is projected to reach 650 kb/d in 4Q95, about 100 kb/d above estimated current production levels.

## OECD STOCKS

### Industry Stock Changes in September

Preliminary estimates indicate that total OECD industry stocks increased by 1.3 mb/d during September. As shown in the table below, North American and Pacific stocks are estimated to have increased by 0.9 mb/d and 0.5 mb/d respectively, while a slight decline in stocks occurred in Europe. However, it should be noted that preliminary estimates of European stock increases have been subsequently revised upwards in the last four Oil Market Reports. In light of the 1.3 mb/d increase in stocks in September and the upward revision in the August stockbuild to 0.9 m/d, the 3Q94 stock increase is preliminarily assessed at 1.2 mb/d. While recent experience on European stock revisions might suggest that this 3Q94 estimate could be understated, it will be seen that the "Other and Misc. to Balance" in Table 1 for 3Q94 is -0.4 mb/d, suggesting an overestimate of end of September stocks, an underestimate of supply, an overestimate of demand or some combination of the three.

**Preliminary Industry Stock Changes in September**  
(mb/d)

	North America	Europe	Pacific	Total
Crude Oil	0.4	0.1	0.1	0.6
Gasoline	0.2	-0.1	0.0	0.1
Distillates	0.3	0.0	0.2	0.5
Fuel Oil	0.0	0.0	0.0	0.0
Other Oil*	0.1	0.0	0.1	0.2
Total Oil	0.9	-0.1	0.5	1.3

\* includes other products, feedstocks, NGLs and other hydrocarbons

### Industry Stock Levels at the End of September

As shown in the graph on page 21, total industry stock levels at the end of 1Q94 were 59 mb below last year's level. However, higher stockbuilds than in 1993 in the second quarter (1.3 mb/d versus 0.9 mb/d) and in the third quarter (1.2 mb/d versus 0.7 mb/d) resulted in industry stocks by the end of 3Q94 being estimated at 28 mb higher than a year earlier. The table below shows this preliminary estimate compared with end of third quarter stocks in the previous four years both in absolute terms and in days of forward demand. It will be seen that, whereas absolute stocks were at a higher level than a year earlier, on the basis of days of forward demand, they were unchanged at 65 days. Nonetheless, this was one day higher than the stock level at the end of 3Q92, a level at which industry was comfortable operating. In addition, industry stock requirements for emergency purposes in Japan have been reduced from 78 days to 70 days during this period.

**End of September Stocks**

	Industry		Government		Total	
	mb	days <sup>+</sup>	mb	days	mb	days
1991	2642	67	1020	26	3662	93
1992	2563	64	1054	26	3617	91
1993	2613	65	1092	27	3705	92
1994	2642	65	1114	27	3756	92

+ days of forward demand

The 94 mb increase in government-controlled stocks over the four-year period reflects increases in Japanese, US SPR and European stocks of 53 mb, 23 mb and 19 mb respectively. About 29 mb of the Japanese increase is due to the increase in government-controlled stocks in place of industry stocks which occurred over the 1991-1993 period.

In reviewing the amount of flexibility provided by industry stocks, neither comparisons in absolute volume terms or on a basis of days of forward demand are ideal. Using absolute stock levels clearly ignores the fact that more stocks are required to handle higher refinery and terminal throughputs. On the other hand, using days of forward demand does not take into account the fact that, in countries where minimum stock levels are not set by emergency requirements, the increase in stock requirements is not proportional to the increase in demand. This is because a significant part of operating minimum stocks is related to the shipping parcel size, undrawable tank bottoms and pipeline stocks which will not normally change as demand grows.

Returning to the stock position at the end of September, it will be seen in Table 5 that the key feature is the high level of distillate stocks, with inventories in North America, Europe and the Pacific 10%, 8% and 5% respectively higher than at the same time of year in 1992 or 1993. Total crude oil stocks are also at relatively high levels and there is the potential of a further increase in October in the light of lower refinery throughputs and the relatively high level of crude oil at sea at the end of September.

### **Regional Stock Developments in September**

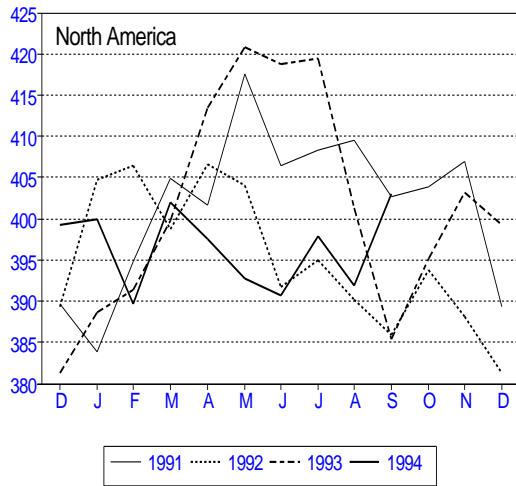
**North American** crude oil stocks increased by 0.4 mb/d with the decrease in refinery throughputs more than offsetting the decrease in crude imports. Stocks at the end of the month were 18 mb or 5% above levels of a year earlier. Following the seasonal decline in gasoline stocks which had occurred during the three previous months, gasoline stocks increased by 0.2 mb/d reflecting higher net imports and lower demand partly offset by lower production. Stocks at the end of the month at 227 mb were at fairly typical end of September levels. Distillate stocks continued to build seasonally, rising by 0.3 mb/d in spite of somewhat lower refinery production. At the end of September stocks were 20 mb higher than at the same time of year in 1992 and 1993, with particularly high stock levels occurring on the US East Coast. Fuel stock levels, were essentially unchanged with lower demand offset by lower imports. Stocks continued to be at historically low levels consistent with the low level of demand. Weekly US DOE data indicate that, during the first three weeks of October, total oil stocks fell by 0.4 mb/d with inventories of gasoline, "other oils" and distillate decreasing by 0.3 mb/d, 0.3 mb/d and 0.1 mb/d respectively and both crude oil and fuel oil inventories increasing by 0.1 mb/d.

In **Europe**, crude oil stocks increased by 0.1 mb/d, reflecting sharply higher production, and ended the month higher than end of September stocks in 1992 and 1993 by 30 mb and 17 mb respectively. Gasoline stocks declined by 0.1 mb/d to end the month at typical levels. Distillate stock levels were unchanged and stocks at the end of the month were 21 mb above year earlier levels. As in the two other regions, fuel oil stocks were essentially unchanged and continued to be below year earlier levels.

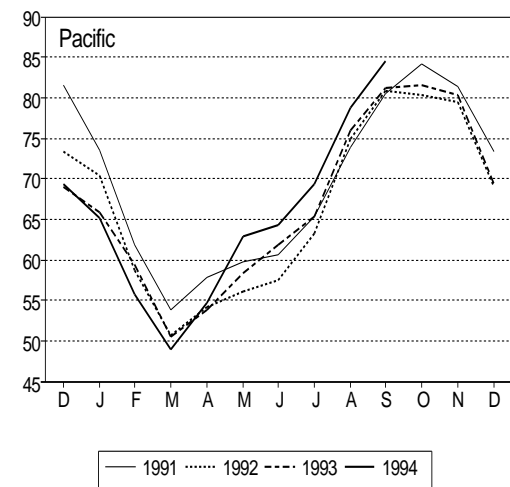
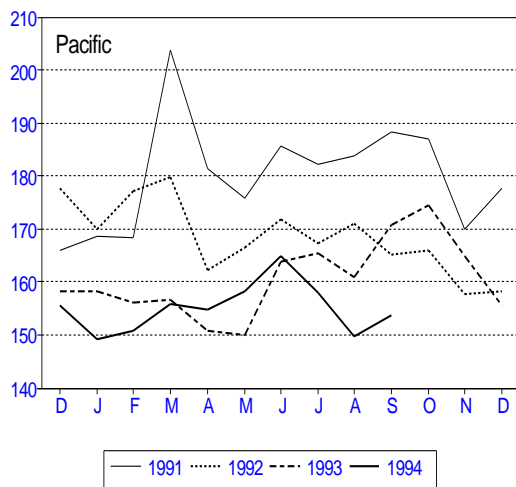
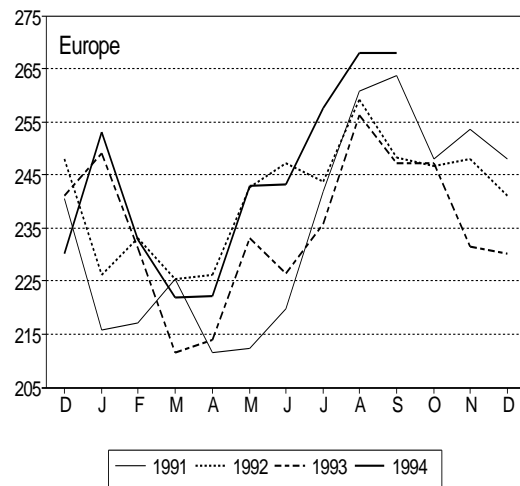
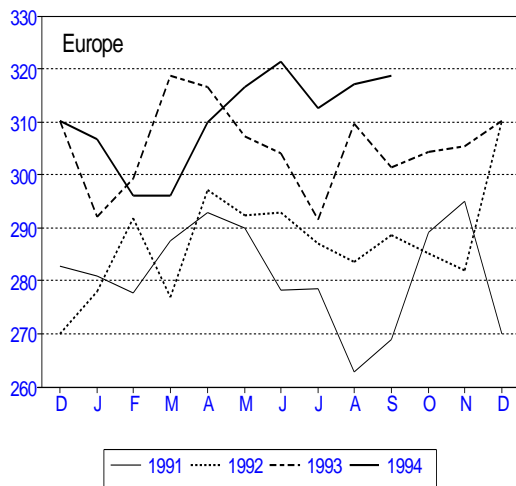
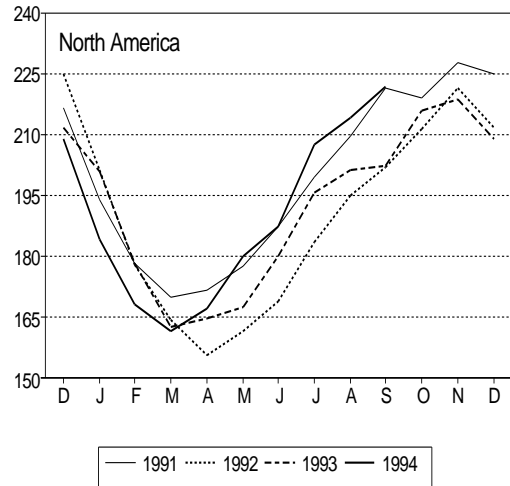
In the **Pacific**, following two months of declining stocks, crude oil inventories increased by 0.1 mb/d with lower refinery throughputs and decreased use for direct burning by power plants more than offsetting the reduction in imports. In spite of this increase in stocks, crude oil inventories continued to be significantly lower than a year earlier. Distillate stocks continued to increase seasonally, rising by 0.2 mb/d with production increasing faster than demand. End of September stocks were 4 mb higher than in 1991, 1992 or 1993.

### OECD Industry End Month Stocks (million barrels)

#### Crude Oil

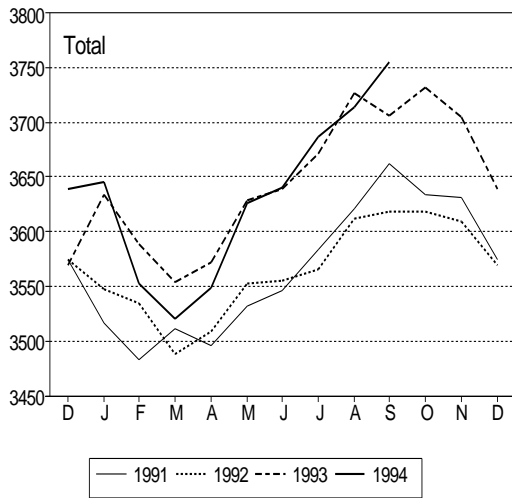


#### Middle Distillates

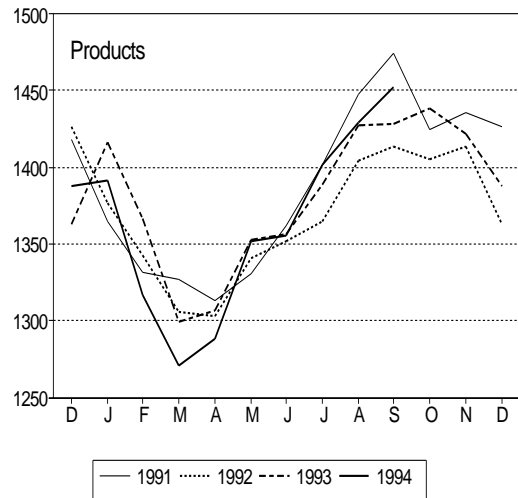
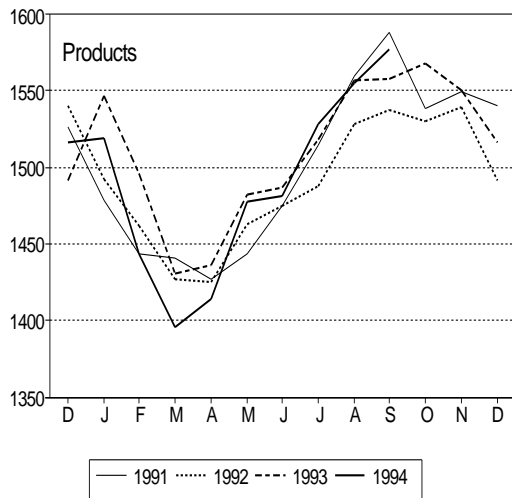
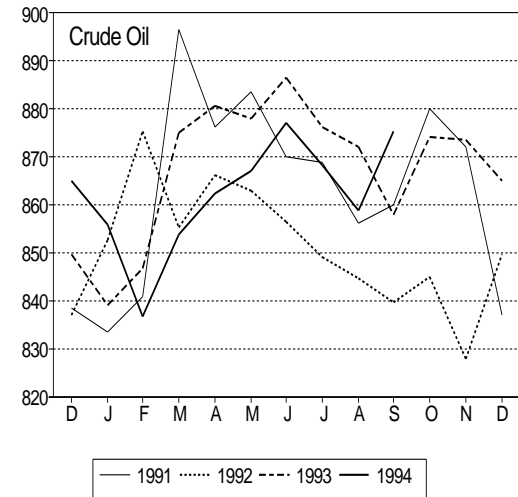
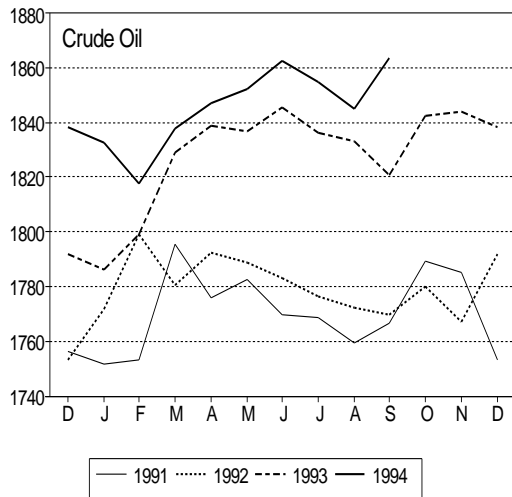
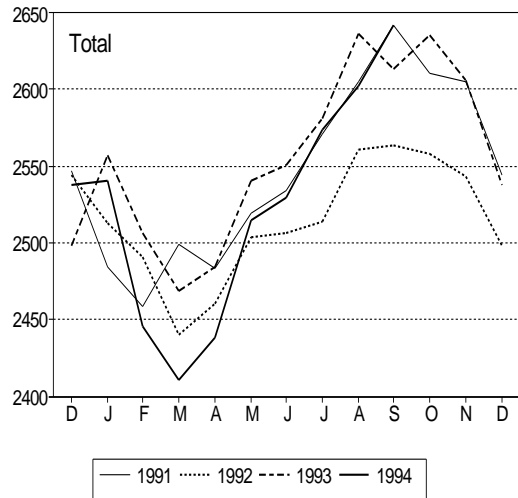


### OECD End Month Stocks (million barrels)

**Total Stocks**



**Industry Stocks**



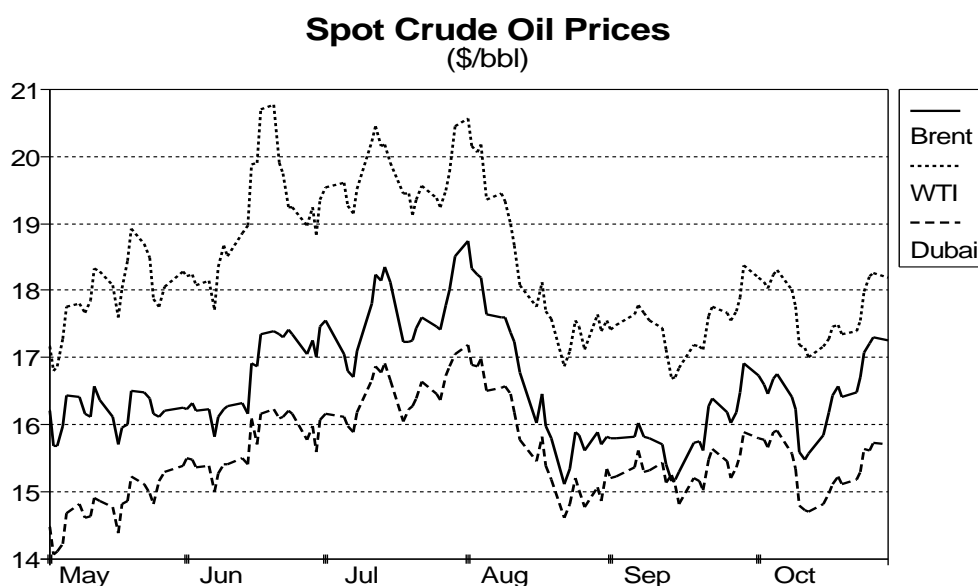
## OIL PRICES AND REFINERY ACTIVITY

### Summary

- Benchmark crude prices, which were little affected by the movement of Iraqi troops to the Kuwait border, declined sharply following the easing of the tension. Prices increased in the second half of October in part reflecting strong crude demand by European refiners and, towards the end of the month, sharp increases in gasoline prices, particularly in the US, due to the product pipeline problems in the US Gulf coast. The WTI/dated Brent differential narrowed in mid-October to below \$1/bbl for the first time since the beginning of May. The dated Brent/Russian Urals differential narrowed sharply to \$0.14/bbl towards the end of the month, the narrowest level since the end of the 1990/91 Gulf crisis. In October, the Brent market moved from contango into backwardation in the middle of the month reflecting the marked increase in prompt crude prices.
- The gasoline price in the US increased from the relatively low level in September consistent with tighter supply and lower stock levels, and increased by more than \$4/bbl following the ruptures and leaks of the Colonial pipelines in the US Gulf on 20 October due to flood waters. Gasoline prices in Europe and Singapore also increased following the US price movements. The jet/kerosene premium over gasoil increased markedly, in part reflecting increased military requirements due to the allied response to the Iraqi troops' movements. Prices of low sulphur heavy fuel oils increased in Europe and the US reflecting a large purchase tender by ENEL and the generally low level of fuel oil inventories.
- Refining margins in the three major markets recovered significantly in early October from the low levels near the end of September with the cracking margin in Europe returning to over \$2/bbl in mid-October before declining somewhat towards the end of the month.
- The aggregate refinery throughputs in OECD Europe, Japan and the US decreased from 31.0 mb/d in August to 30.4 mb/d in September as throughputs decreased significantly both in the US and Japan. Preliminary indications for October suggest somewhat higher throughputs levels in Europe and little change in Japan. US weekly statistics indicate that the throughput level in October decreased sharply to about 13.5 mb/d, partly reflecting heavy maintenance as well as the impact of the ruptures in the Colonial pipeline and the consequent closure of the Houston ship canal on refinery operations in the US Gulf coast.

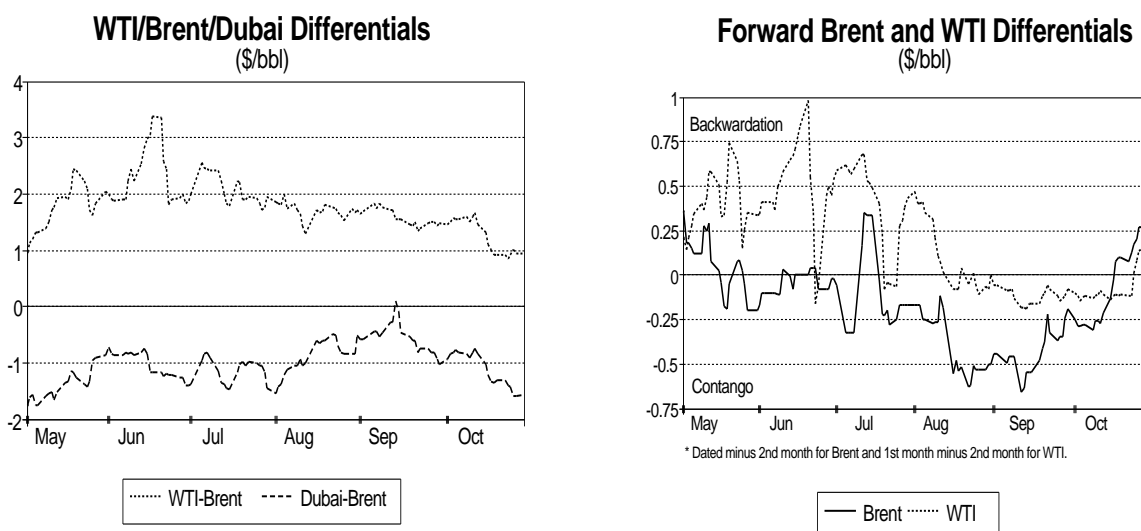
### CIF Crude Import Costs

Table 8 shows that the weighted average CIF cost for crude imported into IEA countries in August was \$17.07/bbl, \$0.16/bbl lower than the July figure. The weighted average CIF prices are estimated to have been \$16.30/bbl in September and \$16.20/bbl in October.



## Spot Crude Oil Prices

The movement of Iraqi troops to the Kuwait border in early October had little impact on crude oil prices, reflecting the promptness of the allied military response. Prices declined sharply following the easing of tension but then increased in the second half of the month, in part because of strong crude demand by European refiners consistent with higher refining margins. Sharp increases in gasoline prices, notably in the US due to product pipeline problems in the US Gulf Coast, also contributed to the higher crude prices towards the end of the month. In October, dated Brent averaged \$16.43/bbl, \$0.59/bbl higher than in September.



The WTI/dated Brent differential narrowed in the middle of October, reaching a level below \$1/bbl for the first time since the beginning of May. The narrowing of the differential, which was consistent with strong demand for prompt crude oil in Europe, closed the arbitrage opportunity to move North Sea crudes to the US for the first time in more than four months. The dated Brent/Dubai differential widened in mid-October, in part reflecting the sharp increase in the dated Brent price. Relatively modest demand for Dubai crude, notably by the Indian Oil Corporation, also contributed to the wider differential towards the end of the month.

In Europe, the dated Brent/Russian Urals differential narrowed sharply in October, reaching \$0.14/bbl, the narrowest level since the end of the 1990/91 Gulf crisis. The narrow differential resulting from the general tightness of sour, heavier crude in Europe as well as some loading problems at Russian ports. As shown in the graph on page 26, the narrowing of the Brent/Urals differential, which has continued for more than a year, broadly conforms with the trend of the narrower differential between light and heavier products. In the Far East, both Indonesian Minas and Malaysian Tapis prices decreased sharply relative to the benchmark Brent price in the second half of the month, reaching the lowest level since May.

In October, the prompt price of Brent, which was lower than for forward delivery (contango), became higher than for forward delivery (backwardation) in the second half of the month reflecting strong demand for prompt crude by European refineries. The WTI market also came into backwardation towards the end of the month as prompt prices rose sharply. The Dubai market, which had mostly been in backwardation since April, continued to be in backwardation in October, consistent with the general tightness in the sour crude market.

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

	Aug	Sept	Oct	Change	Week ending:					
					Sept 23	30 Sept	07 Oct	14 Oct	21 Oct	28 Oct
Brent Dated	16.69	15.84	16.43	0.59	15.84	16.36	16.64	15.85	16.29	16.95
Dubai	15.79	15.30	15.34	0.04	15.21	15.49	15.80	15.02	15.04	15.49
WTI	18.39	17.43	17.70	0.27	17.27	17.84	18.17	17.42	17.34	17.88
Brent over Dubai	0.90	0.54	1.09		0.63	0.87	0.84	0.83	1.24	1.46
WTI over Brent	1.70	1.59	1.27		1.43	1.48	1.53	1.57	1.06	0.93
Brent Dated minus 2nd month	-0.39	-0.43	-0.09		-0.38	-0.30	-0.28	-0.26	0.02	0.17

### Spot Product Prices

Monthly average prices of all major products in the three main markets increased in October. The prices of most gasoline and heavy fuel oil grades increased significantly while increases in gasoil prices and low sulphur waxy residue were relatively small. Prices of heavy fuel oils increased by more than \$2/bbl in Europe while in the US prices of gasoline increased most sharply.

The **gasoline** price increased sharply in October in the three markets. The price of conventional gasoline in the US declined markedly in September as wholesalers ran down stocks of summer grade gasoline ahead of, first, the introduction of winter grade and then reformulated gasoline. It recovered in the first half of the month consistent with tighter supply and low stock levels because US refiners decreased production of conventional gasoline as the introduction of reformulated gasoline approached. Total US gasoline stocks decreased by 6 mb while stocks of conventional gasoline decreased by 13 mb during the first three weeks of October according to the US DOE weekly statistics. The price increased by more than \$4/bbl following ruptures of a Colonial pipeline in the US Gulf Coast on 20 October caused by flood waters. The Colonial pipeline system, which has two pipelines in the Houston area, typically transports 1.8-1.9 mb/d of products from US Gulf Coast to the East Coast. One of these pipelines was put out of service west of Houston due to ruptures, and the flow of products in the other pipeline was reduced due to leaks. Temporary repairs are expected to increase the capacity at the beginning of November to permit throughput to return to normal levels. Two accidents at US refineries, one at Conoco's Lake Charles refinery and the other at British Petroleum's Marcus Hook refinery, also contributed to the gasoline price increase towards the end of the month.

Gasoline prices in the other two markets also increased during the month following the US price movements. The sharp increase in the US price, however, resulted in the price differentials between the US and Europe increasing significantly, providing an arbitrage opportunity to bring gasoline from Europe to the US.

The price of **MTBE** in the US, which had increased gradually from about \$25/bbl in March to about \$42/bbl in September, increased further in mid-October, reaching over \$47/bbl. The sharp increase this month in the price of the principal blending component for both oxygenated gasoline and reformulated gasoline followed a shut-down due to a fire of a methanol plant at Pasadena, Texas, which occurred amid tight methanol market situation. The tight market reflected its higher demand due to the arrival of the oxygenated gasoline season and the approach of the reformulated gasoline introduction as well as tighter supply caused by several other recent methanol plant problems. Consistent with the high MTBE price, the price premium of oxygenated gasoline over conventional gasoline this year is substantially higher than last year, with the October monthly average premium being \$2.92/bbl this year compared to \$0.99/bbl last year.

**Gasoil** prices were more stable than prices of other major products in October in all three markets. Gasoil prices in the three markets broadly followed crude prices, declining in the middle of the month and then recovering in the second half of the month. As a result of the sharp gasoline price increases, gasoil prices unseasonably became lower than gasoline prices in the three markets in October in volumetric terms, in part reflecting the high level of distillate stocks. The **jet/kerosene** premium over gasoil increased markedly, with the Singapore premium reaching the highest levels since the end of the Gulf crisis (see graph). The sharp increases reflected increased military requirements, the temporary termination of exports from Kuwait and strong demand from India.

The price of **low sulphur heavy fuel oil (LSFO)** increased in Europe in early October, partly due to a large purchase tender by ENEL. The US LSFO price also increased sharply, following the European price. The high sulphur heavy fuel oil (HSFO) price also increased in October, in part due to strong demand in Portugal coupled with the generally tight supply related to the sweeter, lighter crude slate and increased conversion capacity. The HSFO price in Singapore also increased significantly in early October as the higher European price attracted Middle East cargoes to Europe which usually are traded into Asia. The premium for Russian E4 feedstock over HSFO in Europe decreased from \$12/t to \$6.50/t in the middle of the month consistent with a marked increase in the hydroskimming refining margin, which decreased Russian E4's attractiveness for refining relative to crude oil.

### 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
Aug	21.68	23.37	23.74	20.41	20.79	20.49	14.57	15.66	18.73
Sept	18.19	19.46	19.98	20.16	20.01	20.64	12.96	13.05	13.24
Oct	19.28	21.27	21.25	20.35	20.25	21.36	15.50	14.74	13.32
Change over month	1.08	1.81	1.27	0.19	0.25	0.73	2.55	1.69	0.08
Week ending:									
23 Sept	17.64	19.25	19.01	20.01	19.71	20.47	12.85	12.63	12.95
30 Sept	17.70	18.84	18.72	20.29	20.07	20.91	12.96	12.79	12.48
07 Oct	18.11	19.52	19.89	20.64	20.51	21.16	14.04	13.51	12.64
14 Oct	18.70	20.36	20.29	20.32	19.69	21.22	16.06	15.01	13.42
21 Oct	19.67	21.22	22.12	20.15	20.21	21.21	15.92	15.10	13.44
28 Oct	20.63	23.97	22.70	20.27	20.61	21.87	16.01	15.34	13.78

\* 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 1994. Low Sulphur Residual Fuel Oils are 1.0% LSFO in Rotterdam and New York Harbour and low sulphur waxy residue in Singapore.

### End-User Product Prices

In October, mid-month end-user prices of heavy fuel oil increased significantly in France, Germany and Spain consistent with higher international spot prices, with the French price increasing by more than 12%. On the other hand, prices of gasoline and diesel in most European countries decreased slightly. In North America, prices of gasoline decreased in both Canada and the US.

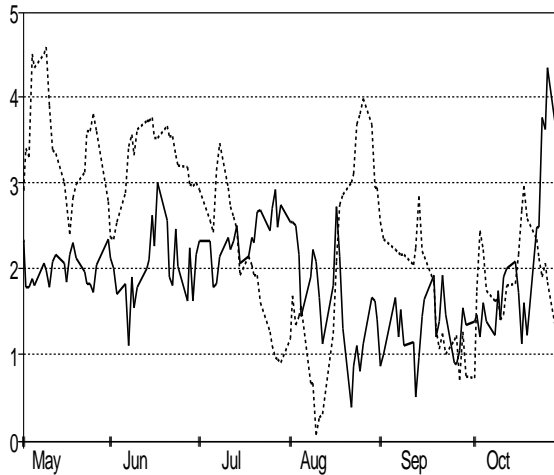
Table 8 shows average IEA CIF crude costs, spot crude and product prices and Table 9 shows end-user prices.

### Refining Margins

Refining margins recovered significantly in early October from the low levels near the end of September. The cracking margin for Brent crude in Europe returned to about \$2/bbl in mid-October and the Brent cracking margin in the US, which was negative towards the end of September, also increased to about \$2/bbl towards the end of October.

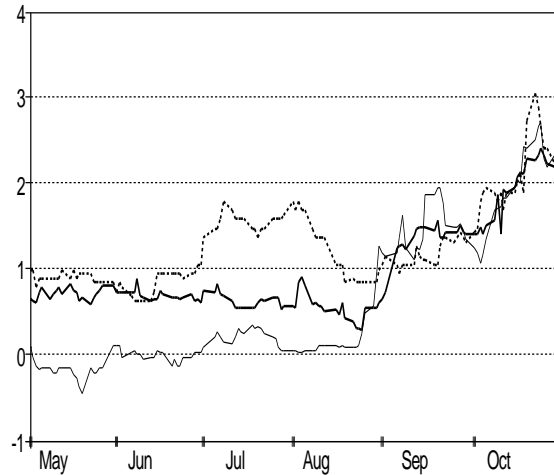
Monthly average refining margins increased in all three markets with European increases being smaller than those in the other two markets. While a significant increase in the LSFO price contributed most to higher hydroskimming margins in Europe, the cracking margin increased only slightly due to the smaller LSFO yield and the higher yield of premium gasoline, the price of which decreased relative to the Brent crude price. In the US, sharp increases in gasoline prices contributed most to the higher refining margins. The ANS margin increased more than other margins as the ANS price decreased, unlike the price of other crudes. In Singapore, the higher Dubai margin resulted from increases in all product prices relative to the crude price, in particular a marked increase in the HSFO price.

**Gasoline Price Differentials**  
(\$/bbl)



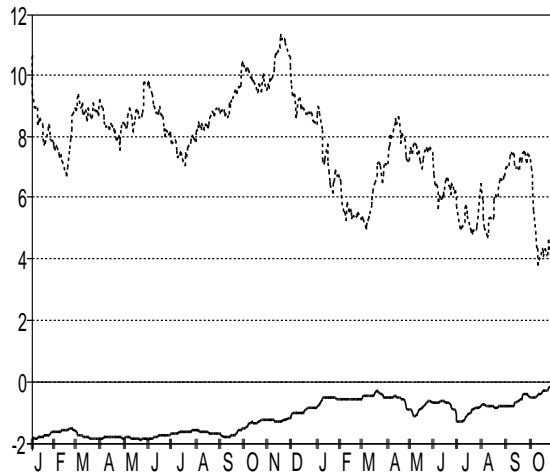
— NYHarbour-Rot ..... Singapore-Rot

**Jet/Gasoil Price Differentials**  
(\$/bbl)



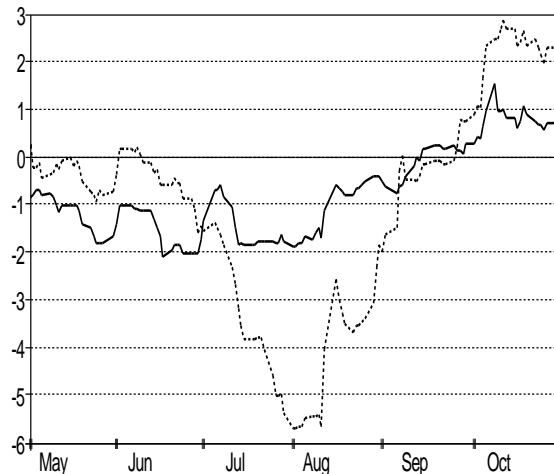
— Rotterdam ..... NY Harbour - . - Singapore

**European Crude and Product Differential**  
(\$/bbl)



— Urals-Brent dated ..... Gasoil-LSFO

**LSFO Price Differentials**  
(\$/bbl)



— Rot'dam-NYHarbour ..... Rot'dam-Singapore

## Refining Margins in Major Refining Centres

(\$/bbl)

	Aug	Sept	Oct	Change	Week ending:					
					23 Sept	30 Sept	07 Oct	14 Oct	21 Oct	28 Oct
NW Europe										
Brent (Hydroskimming)	0.49	-0.01	0.44	0.46	-0.22	-0.72	-0.43	1.08	0.75	0.37
Brent (Cracking)	2.24	1.75	1.83	0.08	1.52	1.02	1.17	2.28	2.07	1.78
US Gulf Coast										
Brent (Cracking)	2.29	0.22	0.99	0.77	-0.12	-0.41	0.13	1.00	1.29	1.55
WTI (Cracking)	1.69	-0.35	0.68	1.02	-0.53	-0.88	-0.43	0.37	1.18	1.58
ANS (Cracking)	1.84	0.04	1.50	1.46	-0.16	-0.06	0.43	1.29	2.06	2.23
Singapore										
Dubai(Hydroskimming)	1.21	-0.51	0.69	1.19	-0.48	-0.85	-0.23	1.04	1.14	1.04

## Refinery Crude Throughputs

The aggregate refinery throughputs in OECD Europe, Japan and the US decreased from 31.0 mb/d in August to 30.4 mb/d in September as throughputs decreased significantly both in the US and Japan. The aggregate level was 0.3 mb/d higher than the level in September 1993, with lower European throughputs more than offset by higher throughputs in the US and Japan.

Total crude inputs to distillation units in European countries remained little changed at 12.1 mb/d in September. Increases in Italian and the UK throughputs were offset by decreases in throughputs of several countries such as the Netherlands. Average crude throughputs in European countries for the first nine months of this year were 1.7% higher than for the same period last year.

Crude throughputs in the US decreased from 14.5 mb/d in August to 14.2 mb/d in September consistent with a significant decrease in refining margins and the beginning of seasonal refinery maintenance. September throughputs were 0.3 mb/d or 2.5% higher than the level a year earlier (see graph). Utilisation of operating capacity in the US (excluding idle plant but including capacity temporarily out of service for maintenance) was 95% in September. Average crude throughputs in the US for the first nine months of this year were 1.5% higher than for the same period last year.

Japanese crude throughputs decreased from 4.4 mb/d in August to 4.1 mb/d in September following the normal seasonal pattern. Utilisation of operating capacity decreased to 87%. The throughput level in September was 5.7% higher than the level a year earlier. Average crude throughputs for the first nine months of this year were 4.7% higher than for the same period last year.

Preliminary indications for October suggest somewhat higher throughput levels in Europe consistent with the higher refining margins and the return of some refineries from seasonal maintenance. Weekly US statistics suggest that the throughput level in October decreased sharply to about 13.5 mb/d. After averaging 13.6 mb/d for the first 21 days consistent with heavy refinery maintenance and low refining margins in the first half of October, the throughputs decreased sharply to 13.1 mb/d as the ruptures in the Colonial Pipeline and the consequent closure of the Houston ship canal affected refinery operations in the US Gulf towards the end of the month. Japanese crude throughputs in October are believed to have remained little changed from the level in September.

## Refinery Crude Throughputs in OECD Countries

	million barrels per day					% change from previous year		
	May	June	July	Aug*	Sept*	Jan-Sept 94	Sept	Jan-Sept 94
OECD Europe	12.26	12.09	12.07	12.11	12.13	12.14	-1.7	1.7
France	1.59	1.32	1.38	1.56	1.58	1.54	-0.0	0.3
Germany	2.22	2.22	2.22	2.21	2.22	2.18	2.6	5.3
Italy	1.56	1.57	1.57	1.63	1.70	1.60	0.6	-1.1
Netherlands	1.11	1.08	1.10	1.14	0.99	1.08	-15.3	-2.3
UK	1.81	1.79	1.69	1.48	1.61	1.66	-6.1	-3.9
US	14.28	14.39	14.30	14.49	14.22	13.88	2.4	1.5
Japan	3.67	3.49	3.86	4.40	4.06	4.12	5.7	4.7

\* estimated

### Changes in Refining Capacity

The table below shows the estimated changes in global crude distillation and conversion capacity (excluding the FSU) in 1993 and 1994.

#### Changes in World<sup>\*</sup> Refining Capacity kb/d

	Crude Distillation		Conversion <sup>+</sup>	
	1993	1994	1993	1994
North America	-146	273	69	67
Central & South America	37	222	154	289
Western Europe	-26	-	128	176
Africa and CEE	61	-	-	53
Middle East	416	151	281	-
Asia	505	594	142	242
<b>Total</b>	<b>847</b>	<b>1240</b>	<b>774</b>	<b>827</b>

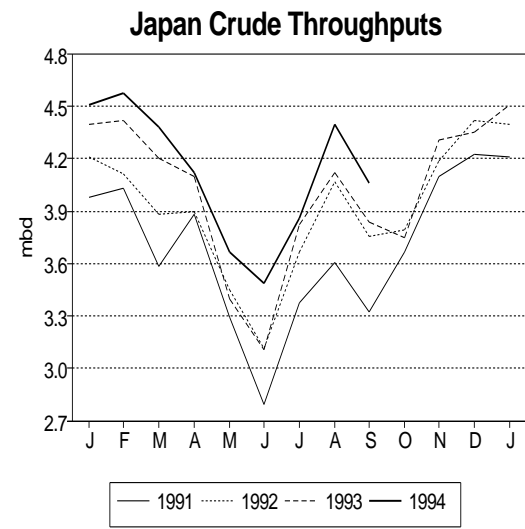
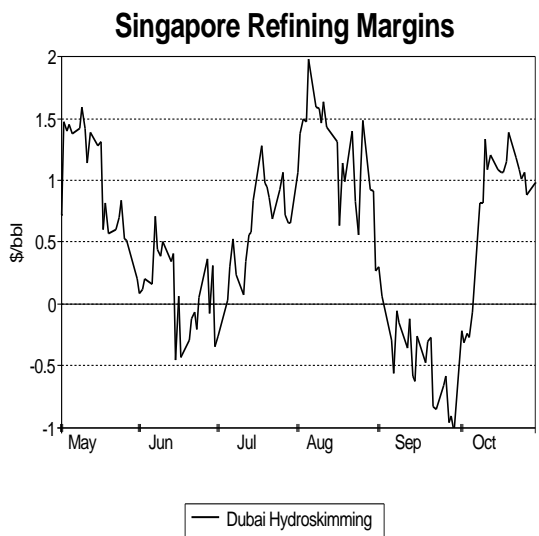
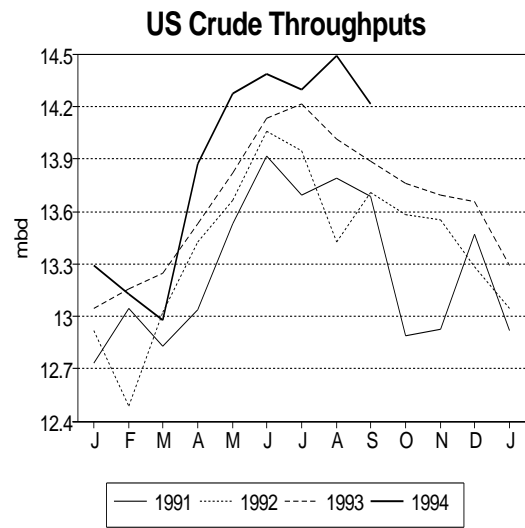
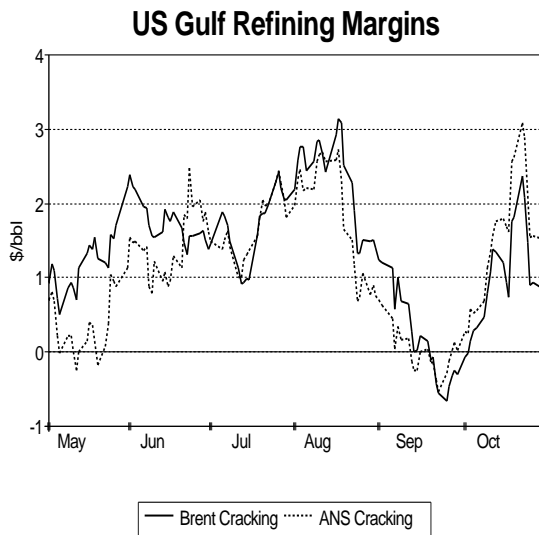
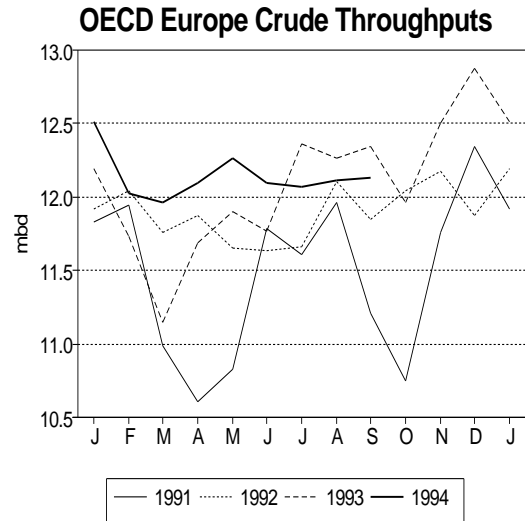
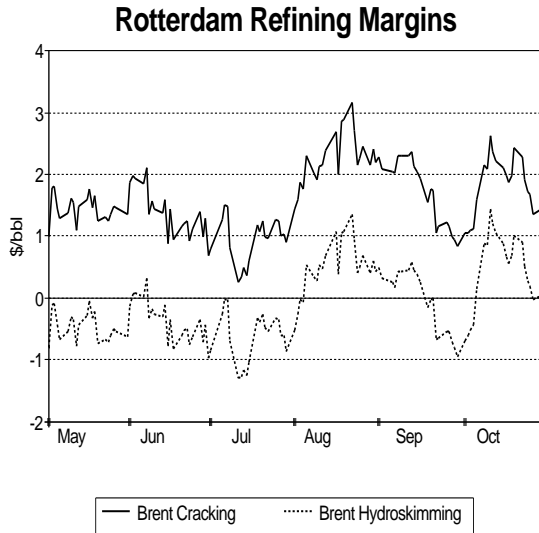
Source: Petroleum Economics Limited

\* excludes the Former Soviet Union

+ Capacity is converted to catalytic cracker equivalence

It will be seen that the growth in distillation capacity is expected to increase from 0.8 mb/d in 1993 to 1.2 mb/d in 1994. In both years, the largest increases occur in Asia, the region with the greatest oil demand growth. The total increase in crude distillation capacity is appreciably less than the growth in oil demand outside the FSU, consistent with an increase in average global distillation utilisation rates in both years.

The increase in conversion capacity of about 800 kb/d in both years is significantly higher than the average annual increase during the 1989 to 1992 period of slightly more than 400 kb/d. This sharp increase in conversion capacity, coupled with the lightening of average global crude oil production, notably due to the surge in North Sea supplies and the lighter Saudi Arabian crude mix, and, in recent months, the relatively high distillate stocks and low fuel oil stocks, has contributed to the trend of narrowing price differentials between light and heavy crudes and between light and heavy products since the middle of last year.



**Table 1**  
**WORLD OIL SUPPLY AND DEMAND**

(million barrels per day)

	1991	1992	1Q93	2Q93	3Q93	4Q93	1993	1Q94	2Q94	3Q94	4Q94	1994	1Q95	2Q95	3Q95	4Q95	1995
<b>DEMAND</b>																	
<b>OECD</b>																	
North America	18.6	18.9	18.9	18.7	19.4	19.7	19.2	19.8	19.4	19.6	19.9	19.7	19.7	19.7	20.0	20.2	19.9
Europe	13.4	13.6	13.6	13.0	13.6	14.3	13.6	13.7	13.4	13.6	14.2	13.7	14.0	13.5	13.8	14.4	13.9
Pacific	6.2	6.3	7.0	6.0	5.7	6.5	6.3	7.1	6.0	6.4	6.6	6.5	7.2	6.1	6.1	6.7	6.5
<b>TOTAL OECD</b>	<b>38.2</b>	<b>38.8</b>	<b>39.6</b>	<b>37.6</b>	<b>38.6</b>	<b>40.4</b>	<b>39.1</b>	<b>40.6</b>	<b>38.7</b>	<b>39.6</b>	<b>40.7</b>	<b>39.9</b>	<b>41.0</b>	<b>39.3</b>	<b>39.9</b>	<b>41.3</b>	<b>40.4</b>
<b>NON-OECD</b>																	
FSU <sup>1</sup>	8.3	6.9	6.2	5.6	5.1	5.6	5.6	5.3	4.4	4.6	4.9	4.8	4.8	4.1	4.4	4.6	4.5
Europe	1.4	1.3	1.4	1.3	1.2	1.3	1.3	1.4	1.3	1.3	1.4	1.4	1.5	1.4	1.3	1.5	1.4
China <sup>2</sup>	2.5	2.7	2.7	2.9	3.1	3.1	3.0	3.1	3.1	3.1	3.1	3.1	3.2	3.3	3.3	3.3	3.3
Other Asia	5.9	6.4	6.8	6.5	6.5	7.3	6.8	7.3	7.0	6.8	7.7	7.2	7.7	7.4	7.2	8.2	7.6
Latin America	5.4	5.5	5.5	5.6	5.6	5.6	5.6	5.6	5.7	5.8	5.8	5.7	5.7	5.8	5.8	5.9	5.8
Middle East	3.4	3.6	3.8	3.8	3.8	3.8	3.8	3.9	3.9	4.0	4.0	3.9	4.1	4.1	4.3	4.2	4.2
Africa	2.0	2.0	2.1	2.1	2.0	2.1	2.1	2.1	2.1	2.0	2.1	2.1	2.2	2.1	2.1	2.2	2.2
<b>TOTAL NON-OECD</b>	<b>28.8</b>	<b>28.4</b>	<b>28.5</b>	<b>27.8</b>	<b>27.2</b>	<b>28.8</b>	<b>28.1</b>	<b>28.7</b>	<b>27.6</b>	<b>27.6</b>	<b>29.0</b>	<b>28.2</b>	<b>29.2</b>	<b>28.3</b>	<b>28.3</b>	<b>29.7</b>	<b>28.9</b>
<b>TOTAL DEMAND<sup>3</sup></b>	<b>66.9</b>	<b>67.2</b>	<b>68.1</b>	<b>65.4</b>	<b>65.8</b>	<b>69.2</b>	<b>67.1</b>	<b>69.3</b>	<b>66.3</b>	<b>67.2</b>	<b>69.7</b>	<b>68.1</b>	<b>70.2</b>	<b>67.6</b>	<b>68.2</b>	<b>71.1</b>	<b>69.3</b>
<b>SUPPLY</b>																	
<b>OECD</b>																	
North America	11.1	11.1	11.1	10.9	10.9	11.0	11.0	11.0	10.7	10.8	11.1	10.9	10.9	10.7	10.6	10.7	10.7
Europe	4.5	4.8	4.9	4.8	5.1	5.8	5.2	5.9	6.0	5.8	6.5	6.0	6.5	5.9	5.9	6.6	6.2
Pacific	0.7	0.7	0.6	0.7	0.7	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.8
<b>TOTAL OECD</b>	<b>16.3</b>	<b>16.6</b>	<b>16.6</b>	<b>16.5</b>	<b>16.7</b>	<b>17.4</b>	<b>16.8</b>	<b>17.5</b>	<b>17.4</b>	<b>17.3</b>	<b>18.4</b>	<b>17.6</b>	<b>18.2</b>	<b>17.4</b>	<b>17.3</b>	<b>18.0</b>	<b>17.7</b>
<b>NON-OECD</b>																	
FSU	10.4	9.0	8.2	8.0	7.7	7.5	7.8	7.1	7.1	7.1	7.0	7.1	6.7	6.5	6.7	6.7	6.7
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
China	2.8	2.8	2.9	2.9	2.9	3.0	2.9	3.0	2.9	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Other Asia	1.7	1.8	1.8	1.7	1.8	1.8	1.8	1.8	1.8	1.9	2.0	1.9	2.0	2.0	2.0	2.1	2.0
Latin America	5.6	5.7	5.7	5.8	5.8	5.9	5.8	5.9	5.9	6.0	6.2	6.0	6.3	6.4	6.4	6.5	6.4
Middle East	1.4	1.5	1.6	1.6	1.6	1.7	1.6	1.8	1.8	1.8	1.8	1.8	1.8	1.9	1.9	1.9	1.9
Africa	2.0	2.0	2.1	2.1	2.0	2.1	2.0	2.0	2.0	2.0	2.1	2.0	2.1	2.2	2.2	2.3	2.2
Processing Gains <sup>4</sup>	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	1.5
<b>TOTAL NON-OPEC</b>	<b>41.9</b>	<b>41.1</b>	<b>40.5</b>	<b>40.3</b>	<b>40.2</b>	<b>41.1</b>	<b>40.5</b>	<b>40.9</b>	<b>40.6</b>	<b>40.8</b>	<b>42.2</b>	<b>41.1</b>	<b>41.8</b>	<b>41.1</b>	<b>41.3</b>	<b>42.3</b>	<b>41.6</b>
<b>OPEC</b>																	
Crude	23.0	24.1	25.1	24.2	24.7	24.9	24.7	24.9	24.8	24.9							
NGLs	2.1	2.1	2.2	2.2	2.2	2.2	2.2	2.3	2.3	2.4	2.4	2.3	2.4	2.5	2.5	2.5	2.5
<b>TOTAL OPEC</b>	<b>25.0</b>	<b>26.2</b>	<b>27.3</b>	<b>26.4</b>	<b>27.0</b>	<b>27.1</b>	<b>27.0</b>	<b>27.2</b>	<b>27.1</b>	<b>27.2</b>							
<b>TOTAL SUPPLY<sup>5</sup></b>	<b>66.9</b>	<b>67.3</b>	<b>67.8</b>	<b>66.7</b>	<b>67.2</b>	<b>68.1</b>	<b>67.5</b>	<b>68.1</b>	<b>67.7</b>	<b>68.0</b>							
<b>STOCK CHANGE AND MISCELLANEOUS</b>																	
<b>REPORTED OECD</b>																	
Industry	0.0	-0.2	-0.4	0.9	0.7	-0.8	0.1	-1.4	1.3	1.2							
Government	0.0	0.1	0.2	0.0	0.0	0.1	0.1	0.1	0.0	0.0							
<b>TOTAL OECD</b>	<b>0.0</b>	<b>0.0</b>	<b>-0.2</b>	<b>0.9</b>	<b>0.7</b>	<b>-0.7</b>	<b>0.2</b>	<b>-1.3</b>	<b>1.3</b>	<b>1.2</b>							
Floating Storage/Oil in Transit	-0.1	0.0	-0.2	0.1	0.1	0.2	0.1	-0.1	0.1	0.1							
Other & Misc. to balance <sup>6</sup>	0.1	0.1	0.1	0.3	0.5	-0.5	0.0	0.2	0.0	-0.4							
<b>TOTAL STOCK CH. &amp; MISC.</b>	<b>0.0</b>	<b>0.1</b>	<b>-0.3</b>	<b>1.3</b>	<b>1.4</b>	<b>-1.1</b>	<b>0.3</b>	<b>-1.3</b>	<b>1.4</b>	<b>0.9</b>							
<b>Memo items:</b>																	
FSU Net Exports	2.1	2.1	2.0	2.4	2.6	1.9	2.2	1.8	2.7	2.5	2.1	2.3	1.9	2.4	2.4	2.1	2.2
Call on OPEC crude + Stock ch. <sup>7</sup>	23.0	24.0	25.4	22.9	23.4	25.9	24.4	26.1	23.4	24.0	25.1	24.6	25.9	24.0	24.4	26.4	25.2

1 Figures for FSU are estimates of apparent domestic demand derived from official production figures and quarterly trade data.

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

3 Measured as deliveries from refineries and primary stocks, comprises inland deliveries, international marine bunkers and refinery fuel. It includes crude for direct burning, 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.

7 Equals total demand minus total non-OPEC supply minus OPEC NGLs. Thus includes "Miscellaneous to balance" for historical time periods.

**Table 2**  
**OECD REGIONAL OIL DEMAND**

(million barrels per day)

	April			May			June			Second Quarter			July		
	1993	1994	%	1993	1994	%	1993	1994	%	1993	1994	%	1993	1994	%
<b>North America</b>															
LPG	1.78	1.87	5.2	1.65	1.73	5.1	1.68	1.81	7.6	1.70	1.80	6.0	1.79	1.94	8.1
Naphtha	0.22	0.29	31.5	0.24	0.27	15.2	0.26	0.26	0.3	0.24	0.27	14.9	0.28	0.28	0.5
Motor Gasoline	8.05	8.14	1.1	8.22	8.25	0.4	8.38	8.63	3.0	8.22	8.34	1.5	8.47	8.56	1.1
Jet/Kerosene	1.42	1.61	12.9	1.40	1.52	8.2	1.45	1.62	12.1	1.42	1.58	11.1	1.47	1.58	7.4
Gasoil	3.33	3.54	6.2	3.10	3.35	8.1	3.26	3.47	6.7	3.23	3.45	7.0	3.04	3.07	1.2
Residual Fuel Oil	1.28	1.25	-2.7	1.23	1.20	-2.5	1.06	1.05	-1.2	1.19	1.16	-2.2	1.25	1.10	-12.2
Other Products	2.56	2.62	2.3	2.56	2.70	5.4	2.95	2.94	-0.4	2.69	2.75	2.3	2.96	2.89	-2.3
<b>Total</b>	<b>18.64</b>	<b>19.31</b>	<b>3.6</b>	<b>18.40</b>	<b>19.03</b>	<b>3.4</b>	<b>19.02</b>	<b>19.77</b>	<b>4.0</b>	<b>18.68</b>	<b>19.37</b>	<b>3.6</b>	<b>19.26</b>	<b>19.43</b>	<b>0.8</b>
<b>Europe</b>															
LPG	0.78	0.86	10.0	0.68	0.79	15.6	0.70	0.81	15.9	0.72	0.82	13.7	0.73	0.75	2.8
Naphtha	0.74	0.83	12.0	0.81	0.76	-5.2	0.79	0.76	-3.9	0.78	0.79	0.6	0.79	0.76	-2.8
Motor Gasoline	3.10	2.96	-4.7	2.86	2.95	3.3	3.15	3.09	-2.0	3.04	3.00	-1.2	3.29	3.08	-6.4
Jet/Kerosene	0.73	0.78	6.8	0.75	0.79	5.4	0.78	0.88	12.1	0.75	0.81	8.2	0.83	0.88	6.2
Gasoil	4.52	4.72	4.3	3.83	4.16	8.7	4.80	4.69	-2.2	4.38	4.52	3.3	4.59	4.32	-5.8
Residual Fuel Oil	2.02	2.13	5.7	1.96	1.99	1.5	1.98	1.98	0.3	1.98	2.03	2.5	1.98	1.90	-3.9
Other Products	1.28	1.31	2.2	1.26	1.36	7.9	1.48	1.48	0.1	1.34	1.38	3.3	1.42	1.48	4.1
<b>Total</b>	<b>13.17</b>	<b>13.58</b>	<b>3.1</b>	<b>12.14</b>	<b>12.80</b>	<b>5.5</b>	<b>13.68</b>	<b>13.69</b>	<b>0.1</b>	<b>12.99</b>	<b>13.35</b>	<b>2.8</b>	<b>13.61</b>	<b>13.17</b>	<b>-3.3</b>
<b>Pacific</b>															
LPG	0.75	0.69	-8.3	0.63	0.63	0.2	0.68	0.65	-3.6	0.69	0.66	-4.1	0.65	0.67	2.2
Naphtha	0.52	0.51	-0.2	0.42	0.51	22.6	0.44	0.53	21.3	0.46	0.52	13.7	0.42	0.52	23.5
Motor Gasoline	1.17	1.17	0.6	1.16	1.18	1.8	1.15	1.19	3.5	1.16	1.18	2.0	1.20	1.30	8.0
Jet/Kerosene	0.65	0.60	-8.4	0.52	0.54	3.6	0.47	0.48	2.1	0.55	0.54	-1.5	0.50	0.46	-7.8
Gasoil	1.37	1.43	4.2	1.27	1.30	2.7	1.34	1.42	6.4	1.32	1.38	4.4	1.33	1.41	6.2
Residual Fuel Oil	0.93	0.88	-5.1	0.80	0.80	0.7	0.84	0.92	9.6	0.86	0.87	1.5	0.78	1.04	33.2
Other Products	0.96	0.88	-8.4	0.87	0.83	-4.1	0.97	0.91	-6.7	0.93	0.87	-6.4	0.83	1.12	35.7
<b>Total</b>	<b>6.35</b>	<b>6.16</b>	<b>-2.9</b>	<b>5.66</b>	<b>5.80</b>	<b>2.5</b>	<b>5.88</b>	<b>6.11</b>	<b>3.8</b>	<b>5.96</b>	<b>6.02</b>	<b>1.0</b>	<b>5.71</b>	<b>6.52</b>	<b>14.1</b>
<b>OECD</b>															
LPG	3.31	3.42	3.3	2.96	3.15	6.5	3.05	3.27	7.0	3.11	3.28	5.5	3.18	3.36	5.7
Naphtha	1.48	1.64	10.7	1.46	1.55	6.0	1.49	1.55	4.3	1.47	1.58	7.0	1.49	1.57	5.3
Motor Gasoline	12.32	12.27	-0.4	12.23	12.38	1.2	12.68	12.91	1.8	12.41	12.52	0.9	12.95	12.93	-0.2
Jet/Kerosene	2.81	2.99	6.4	2.67	2.84	6.5	2.70	2.98	10.4	2.72	2.94	7.7	2.81	2.93	4.3
Gasoil	9.22	9.68	5.0	8.20	8.82	7.5	9.39	9.59	2.1	8.93	9.36	4.8	8.95	8.81	-1.6
Residual Fuel Oil	4.23	4.26	0.8	3.98	3.99	0.1	3.88	3.95	1.9	4.03	4.07	0.9	4.01	4.04	0.7
Other Products	4.80	4.81	0.1	4.69	4.89	4.3	5.39	5.32	-1.4	4.96	5.01	0.9	5.21	5.49	5.5
<b>Total</b>	<b>38.16</b>	<b>39.05</b>	<b>2.3</b>	<b>36.20</b>	<b>37.63</b>	<b>3.9</b>	<b>38.58</b>	<b>39.57</b>	<b>2.6</b>	<b>37.63</b>	<b>38.74</b>	<b>2.9</b>	<b>38.59</b>	<b>39.12</b>	<b>1.4</b>

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.

North America comprises US 50 States, territories and Canada.

**Table 3**  
**OIL DEMAND IN SELECTED OECD COUNTRIES**

(million barrels per day)

	May			June			Second Quarter			July			August		
	1993	1994	%	1993	1994	%	1993	1994	%	1993	1994	%	1993	1994	%
<b>United States</b>															
LPG	1.42	1.50	5.6	1.48	1.60	8.3	1.48	1.57	6.4	1.61	1.76	9.2	1.52	1.80	18.8
Naphtha	0.18	0.22	24.8	0.19	0.20	5.7	0.18	0.21	21.4	0.21	0.21	0.3	0.21	0.20	-5.8
Motor Gasoline	7.59	7.59	0.1	7.70	7.93	2.9	7.57	7.68	1.4	7.78	7.85	0.8	7.86	8.01	1.8
Jet/Kerosene	1.30	1.41	8.6	1.35	1.51	12.3	1.32	1.48	11.6	1.36	1.47	7.9	1.45	1.56	7.9
Gasoil	2.69	2.92	8.6	2.86	3.06	6.9	2.83	3.03	7.2	2.67	2.69	0.8	2.82	3.06	8.5
Residual Fuel Oil	1.03	1.02	-1.8	0.87	0.88	1.1	0.99	0.98	-0.8	1.08	0.93	-13.5	0.96	0.93	-2.3
Other Products	2.30	2.43	5.7	2.65	2.66	0.1	2.42	2.48	2.7	2.64	2.56	-2.8	2.52	2.54	1.1
<b>Total</b>	<b>16.51</b>	<b>17.09</b>	<b>3.6</b>	<b>17.10</b>	<b>17.83</b>	<b>4.3</b>	<b>16.79</b>	<b>17.45</b>	<b>3.9</b>	<b>17.36</b>	<b>17.47</b>	<b>0.7</b>	<b>17.33</b>	<b>18.11</b>	<b>4.5</b>
<b>Japan</b>															
LPG	0.56	0.56	-0.5	0.60	0.57	-5.0	0.61	0.58	-5.3	0.58	0.59	1.2	0.52	0.53	1.4
Naphtha	0.41	0.51	22.8	0.43	0.53	21.4	0.45	0.52	13.8	0.42	0.52	23.7	0.48	0.53	10.2
Motor Gasoline	0.81	0.84	4.0	0.80	0.83	4.2	0.81	0.84	3.8	0.86	0.94	9.1	0.91	1.01	11.3
Jet/Kerosene	0.43	0.45	4.2	0.39	0.40	2.1	0.46	0.45	-2.1	0.42	0.38	-10.8	0.40	0.37	-7.3
Gasoil	1.05	1.07	2.1	1.10	1.17	6.3	1.10	1.15	4.4	1.13	1.19	5.5	1.06	1.16	9.0
Residual Fuel Oil	0.76	0.75	-0.7	0.80	0.88	10.0	0.81	0.82	1.0	0.75	0.97	30.3	0.70	0.99	42.0
Other Products	0.73	0.69	-5.3	0.82	0.76	-8.0	0.79	0.73	-7.6	0.69	0.98	43.5	0.71	1.01	43.5
<b>Total</b>	<b>4.75</b>	<b>4.87</b>	<b>2.5</b>	<b>4.94</b>	<b>5.13</b>	<b>3.8</b>	<b>5.04</b>	<b>5.09</b>	<b>1.0</b>	<b>4.84</b>	<b>5.57</b>	<b>15.0</b>	<b>4.77</b>	<b>5.60</b>	<b>17.3</b>
<b>Germany</b>															
LPG	0.09	0.11	29.5	0.09	0.12	41.0	0.09	0.12	31.5	0.09	0.10	9.5	0.09	0.11	15.7
Naphtha	0.23	0.18	-21.2	0.23	0.22	-5.7	0.23	0.20	-9.5	0.20	0.21	3.5	0.20	0.20	0.9
Motor Gasoline	0.73	0.73	0.2	0.75	0.72	-3.7	0.75	0.72	-3.8	0.77	0.70	-8.8	0.74	0.73	-1.5
Jet/Kerosene	0.11	0.13	16.4	0.12	0.14	16.0	0.11	0.13	14.0	0.13	0.14	8.3	0.13	0.14	7.2
Gasoil	1.02	1.16	14.0	1.39	1.36	-2.3	1.20	1.27	6.0	1.35	1.22	-9.9	1.30	1.29	-0.5
Residual Fuel Oil	0.17	0.17	-0.1	0.19	0.17	-11.6	0.18	0.18	-3.8	0.17	0.18	7.3	0.18	0.16	-10.6
Other Products	0.25	0.27	8.1	0.28	0.28	-0.8	0.26	0.27	5.3	0.26	0.27	4.3	0.27	0.28	6.3
<b>Total</b>	<b>2.59</b>	<b>2.76</b>	<b>6.2</b>	<b>3.05</b>	<b>3.01</b>	<b>-1.4</b>	<b>2.82</b>	<b>2.89</b>	<b>2.6</b>	<b>2.97</b>	<b>2.82</b>	<b>-5.1</b>	<b>2.90</b>	<b>2.91</b>	<b>0.2</b>
<b>Italy</b>															
LPG	0.08	0.09	13.2	0.08	0.08	1.4	0.09	0.09	4.9	0.08	0.08	0.5	0.08	0.08	0.9
Naphtha	0.07	0.09	21.4	0.09	0.09	0.7	0.07	0.09	27.6	0.09	0.10	9.5	0.09	0.10	6.7
Motor Gasoline	0.37	0.39	5.8	0.41	0.42	0.9	0.40	0.41	2.0	0.46	0.41	-10.4	0.36	0.42	16.5
Jet/Kerosene	0.06	0.07	9.3	0.07	0.08	17.5	0.07	0.08	14.2	0.08	0.08	-1.3	0.10	0.09	-13.3
Gasoil	0.39	0.42	6.5	0.47	0.46	-2.1	0.44	0.45	2.8	0.45	0.45	-2.0	0.35	0.37	8.5
Residual Fuel Oil	0.53	0.50	-7.3	0.46	0.44	-3.7	0.49	0.50	2.0	0.50	0.47	-5.8	0.59	0.51	-13.2
Other Products	0.16	0.14	-17.6	0.15	0.14	-10.7	0.16	0.13	-14.9	0.13	0.14	6.2	0.14	0.14	2.4
<b>Total</b>	<b>1.68</b>	<b>1.69</b>	<b>0.7</b>	<b>1.73</b>	<b>1.70</b>	<b>-1.5</b>	<b>1.70</b>	<b>1.74</b>	<b>2.3</b>	<b>1.79</b>	<b>1.72</b>	<b>-3.9</b>	<b>1.71</b>	<b>1.72</b>	<b>0.4</b>
<b>France</b>															
LPG	0.08	0.09	20.9	0.08	0.09	8.8	0.09	0.10	10.7	0.08	0.08	-1.4	0.07	0.09	25.5
Naphtha	0.22	0.19	-13.8	0.16	0.15	-7.2	0.20	0.16	-16.6	0.13	0.14	6.2	0.17	0.16	-3.9
Motor Gasoline	0.35	0.35	1.3	0.41	0.37	-8.4	0.38	0.36	-5.3	0.42	0.39	-5.6	0.40	0.39	-1.7
Jet/Kerosene	0.09	0.10	1.6	0.10	0.10	2.2	0.09	0.10	4.9	0.11	0.11	4.3	0.11	0.11	3.4
Gasoil	0.67	0.67	-1.0	0.86	0.78	-9.6	0.79	0.75	-4.9	0.77	0.72	-6.9	0.64	0.72	12.7
Residual Fuel Oil	0.11	0.11	-6.9	0.14	0.12	-7.8	0.13	0.12	-3.2	0.11	0.09	-17.3	0.10	0.09	-10.8
Other Products	0.17	0.19	13.2	0.23	0.23	2.6	0.19	0.21	11.9	0.23	0.26	12.3	0.17	0.20	13.9
<b>Total</b>	<b>1.71</b>	<b>1.71</b>	<b>0</b>	<b>1.97</b>	<b>1.84</b>	<b>-6.2</b>	<b>1.87</b>	<b>1.81</b>	<b>-3.1</b>	<b>1.86</b>	<b>1.80</b>	<b>-3.0</b>	<b>1.66</b>	<b>1.77</b>	<b>6.2</b>
<b>United Kingdom</b>															
LPG	0.10	0.16	57.5	0.09	0.17	85.1	0.10	0.17	62.4	0.13	0.16	27.1	0.14	0.15	7.5
Naphtha	0.05	0.06	12.1	0.10	0.07	-29.4	0.07	0.07	1.6	0.08	0.06	-18.8	0.08	0.06	-30.2
Motor Gasoline	0.52	0.52	0.3	0.55	0.55	-1.1	0.54	0.54	-1.1	0.55	0.53	-2.6	0.53	0.54	1.0
Jet/Kerosene	0.20	0.19	-5.3	0.20	0.20	0.4	0.20	0.19	-4.3	0.21	0.20	-5.7	0.22	0.22	-3.4
Gasoil	0.40	0.42	5.6	0.43	0.45	5.6	0.41	0.44	5.4	0.40	0.42	3.5	0.41	0.43	5.3
Residual Fuel Oil	0.23	0.23	0.1	0.25	0.22	-9.2	0.24	0.23	-2.7	0.25	0.18	-27.2	0.22	0.17	-22.3
Other Products	0.15	0.17	10.4	0.17	0.20	13.4	0.16	0.17	9.2	0.17	0.17	1.4	0.17	0.16	-3.1
<b>Total</b>	<b>1.66</b>	<b>1.75</b>	<b>5.6</b>	<b>1.79</b>	<b>1.86</b>	<b>4.0</b>	<b>1.72</b>	<b>1.80</b>	<b>4.7</b>	<b>1.79</b>	<b>1.73</b>	<b>-3.3</b>	<b>1.78</b>	<b>1.73</b>	<b>-2.8</b>
<b>Canada</b>															
LPG	0.21	0.22	2.1	0.20	0.20	2.1	0.21	0.22	3.0	0.18	0.17	-1.3	0.17	0.17	-0.3
Naphtha	0.06	0.05	-12.4	0.07	0.06	-14.4	0.06	0.06	-3.4	0.07	0.07	1.2	0.07	0.07	-7.5
Motor Gasoline	0.57	0.60	5.8	0.63	0.64	2.9	0.58	0.60	2.6	0.63	0.65	3.7	0.64	0.66	3.0
Jet/Kerosene	0.07	0.07	9.9	0.08	0.08	7.0	0.07	0.07	4.9	0.09	0.09	-0.3	0.08	0.08	3.5
Gasoil	0.39	0.41	6.5	0.37	0.38	3.9	0.37	0.39	5.9	0.34	0.35	4.4	0.36	0.41	12.2
Residual Fuel Oil	0.13	0.13	-3.3	0.14	0.11	-22.5	0.14	0.12	-13.2	0.12	0.11	-8.9	0.15	0.11	-25.9
Other Products	0.20	0.21	7.8	0.25	0.22	-8.9	0.22	0.21	-1.1	0.28	0.28	0.7	0.26	0.28	6.7
<b>Total</b>	<b>1.62</b>	<b>1.70</b>	<b>4.5</b>	<b>1.72</b>	<b>1.70</b>	<b>-1.3</b>	<b>1.66</b>	<b>1.68</b>	<b>1.4</b>	<b>1.69</b>	<b>1.72</b>	<b>1.6</b>	<b>1.74</b>	<b>1.78</b>	<b>2.3</b>

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.  
US figures do not include territories.

**Table 4**  
**WORLD OIL PRODUCTION**

(million barrels per day)

	1992	1993	1994*	3Q93	4Q93	1Q94	2Q94	3Q94	AUG94	SEP94*	OCT94*
<b>OPEC</b>											
Crude Oil											
Saudi Arabia	8.22	7.96	-	7.91	7.88	7.88	7.91	7.89	7.88	7.90	7.90
Iran	3.43	3.65	-	3.70	3.60	3.65	3.55	3.60	3.60	3.65	3.64
Iraq	0.43	0.48	-	0.48	0.54	0.51	0.51	0.53	0.53	0.53	0.53
UAE	2.29	2.20	-	2.16	2.17	2.20	2.17	2.18	2.16	2.16	2.14
Kuwait	0.88	1.69	-	1.79	1.82	1.80	1.83	1.85	1.85	1.85	1.90
Neutral Zone	0.36	0.36	-	0.38	0.39	0.38	0.37	0.41	0.42	0.40	0.39
Qatar	0.40	0.42	-	0.43	0.41	0.40	0.41	0.42	0.40	0.42	0.36
Nigeria	1.88	1.91	-	1.90	1.98	2.04	1.94	1.72	1.49	1.85	2.02
Libya	1.48	1.37	-	1.36	1.37	1.31	1.38	1.39	1.39	1.37	1.39
Algeria	0.75	0.75	-	0.74	0.75	0.74	0.75	0.75	0.75	0.75	0.75
Gabon	0.29	0.30	-	0.29	0.30	0.29	0.32	0.33	0.33	0.33	0.34
Venezuela	2.33	2.31	-	2.28	2.36	2.38	2.41	2.47	2.48	2.49	2.50
Indonesia	1.33	1.34	-	1.34	1.32	1.31	1.30	1.34	1.35	1.35	1.35
Total Crude Oil	24.06	24.73	-	24.75	24.86	24.89	24.84	24.88	24.62	25.05	25.21
NGLs <sup>1</sup>	2.09	2.22	-	2.24	2.22	2.26	2.31	2.36	2.35	2.36	2.40
<b>TOTAL OPEC<sup>3</sup></b>	<b>26.15</b>	<b>26.95</b>	<b>-</b>	<b>26.98</b>	<b>27.08</b>	<b>27.15</b>	<b>27.15</b>	<b>27.24</b>	<b>26.96</b>	<b>27.40</b>	<b>27.61</b>
<b>NON-OPEC<sup>2</sup></b>											
<b>OECD</b>											
North America	11.06	11.00	10.89	10.94	11.03	10.96	10.72	10.80	10.75	10.76	10.97
United States	9.00	8.81	8.65	8.69	8.79	8.70	8.53	8.57	8.54	8.57	8.71
Canada	2.06	2.18	2.25	2.25	2.24	2.26	2.19	2.23	2.20	2.19	2.26
Europe	4.83	5.16	6.04	5.14	5.76	5.90	5.96	5.77	5.37	6.08	6.44
UK	2.00	2.19	2.72	2.20	2.53	2.62	2.64	2.63	2.61	2.75	2.92
Norway	2.22	2.37	2.68	2.35	2.60	2.64	2.69	2.50	2.12	2.70	2.87
Others	0.61	0.60	0.64	0.59	0.63	0.64	0.64	0.63	0.63	0.63	0.65
Pacific	0.68	0.65	0.70	0.66	0.60	0.67	0.68	0.72	0.72	0.72	0.73
Australia	0.60	0.56	0.61	0.57	0.51	0.58	0.59	0.63	0.64	0.63	0.64
Others	0.08	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.08	0.09	0.09
<b>Total OECD</b>	<b>16.56</b>	<b>16.81</b>	<b>17.64</b>	<b>16.74</b>	<b>17.39</b>	<b>17.52</b>	<b>17.36</b>	<b>17.28</b>	<b>16.83</b>	<b>17.56</b>	<b>18.14</b>
<b>Non-OECD</b>											
FSU	8.97	7.82	7.06	7.66	7.47	7.10	7.06	7.10	7.12	7.01	7.00
Russia	7.93	6.86	6.17	6.68	6.51	6.21	6.19	6.22	6.23	6.13	6.08
Others	1.05	0.97	0.89	0.97	0.96	0.89	0.87	0.89	0.89	0.88	0.91
Asia	4.61	4.69	4.84	4.65	4.76	4.83	4.74	4.84	4.86	4.82	4.93
China	2.84	2.91	2.97	2.89	2.95	3.01	2.93	2.94	2.94	2.90	2.99
Malaysia	0.68	0.63	0.64	0.62	0.63	0.63	0.64	0.64	0.64	0.64	0.64
India	0.59	0.55	0.61	0.55	0.55	0.58	0.55	0.64	0.66	0.67	0.67
Others	0.51	0.60	0.62	0.59	0.62	0.61	0.62	0.62	0.62	0.62	0.64
Europe	0.28	0.28	0.27	0.28	0.28	0.27	0.27	0.27	0.28	0.28	0.28
Latin America	5.67	5.78	5.98	5.76	5.93	5.90	5.86	5.98	6.00	5.96	6.10
Mexico	3.12	3.14	3.18	3.12	3.21	3.16	3.13	3.16	3.14	3.21	3.25
Brazil	0.85	0.88	0.91	0.88	0.91	0.90	0.91	0.90	0.94	0.83	0.90
Colombia	0.45	0.46	0.48	0.44	0.45	0.47	0.42	0.49	0.50	0.50	0.52
Ecuador	0.32	0.34	0.37	0.34	0.35	0.34	0.37	0.38	0.38	0.38	0.38
Others	0.93	0.97	1.03	0.97	1.01	1.02	1.03	1.04	1.04	1.04	1.05
Middle East <sup>4</sup>	1.50	1.63	1.79	1.62	1.73	1.75	1.79	1.79	1.81	1.81	1.82
Oman	0.75	0.79	0.82	0.79	0.83	0.79	0.82	0.83	0.83	0.83	0.84
Syria	0.52	0.56	0.57	0.57	0.57	0.57	0.57	0.57	0.57	0.58	0.58
Yemen	0.18	0.22	0.35	0.22	0.29	0.34	0.36	0.34	0.35	0.35	0.36
Africa	2.02	2.05	2.05	2.02	2.06	2.04	2.01	2.04	2.04	2.05	2.07
Egypt	0.93	0.96	0.92	0.97	0.94	0.93	0.91	0.92	0.93	0.93	0.93
Angola	0.54	0.50	0.53	0.47	0.53	0.53	0.52	0.53	0.53	0.53	0.55
Others	0.56	0.58	0.59	0.58	0.59	0.59	0.59	0.59	0.59	0.59	0.59
<b>Total Non-OECD</b>	<b>23.06</b>	<b>22.25</b>	<b>21.99</b>	<b>21.99</b>	<b>22.22</b>	<b>21.90</b>	<b>21.73</b>	<b>22.03</b>	<b>22.10</b>	<b>21.92</b>	<b>22.20</b>
Processing Gains <sup>5</sup>	1.50	1.45	1.50	1.45	1.45	1.50	1.50	1.50	1.50	1.50	1.50
<b>TOTAL NON-OPEC</b>	<b>41.12</b>	<b>40.51</b>	<b>41.12</b>	<b>40.18</b>	<b>41.06</b>	<b>40.92</b>	<b>40.59</b>	<b>40.81</b>	<b>40.43</b>	<b>40.98</b>	<b>41.84</b>
<b>TOTAL SUPPLY</b>	<b>67.28</b>	<b>67.46</b>	<b>-</b>	<b>67.16</b>	<b>68.14</b>	<b>68.07</b>	<b>67.74</b>	<b>68.04</b>	<b>67.40</b>	<b>68.39</b>	<b>69.45</b>

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

<sup>2</sup> Comprises crude oil, condensates, NGLs and oil from non-conventional sources.

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

<sup>4</sup> Includes small amounts of production from Israel, Jordan and Bahrain.

<sup>5</sup> Net of volumetric gains and losses in refining (excludes net gain/loss in FSU, China and non-OECD Europe).

\* estimated

**Table 5**  
**OECD INDUSTRY STOCKS<sup>1</sup> AND QUARTERLY STOCK CHANGES**

	RECENT MONTHLY STOCKS <sup>2</sup> in Million Barrels					PRIOR YEARS' STOCKS <sup>2</sup> in Million Barrels			STOCK CHANGES in mb/d			
	MAY94	JUN94	JUL94*	AUG94*	SEP94*	SEP91	SEP92	SEP93	Q493	Q194	Q294	Q394
<b>North America</b>												
Crude	393	391	398	392	403	403	386	385	0.15	0.03	-0.12	0.13
Gasoline	238	231	228	220	227	238	224	225	0.23	-0.12	-0.05	-0.05
Middle Distillate	180	187	207	214	222	221	202	202	0.07	-0.53	0.29	0.38
Residual Fuel Oil	47	48	48	50	50	57	56	52	0.00	-0.04	-0.01	0.03
Total Products <sup>3</sup>	627	631	656	657	677	689	665	669	-0.04	-0.89	0.51	0.49
Total <sup>4</sup>	1172	1183	1223	1224	1251	1256	1222	1233	-0.27	-0.81	0.51	0.75
<b>Europe</b>												
Crude	316	321	313	317	319	269	289	302	0.09	-0.16	0.29	-0.03
Gasoline	141	137	134	133	130	133	128	131	0.10	0.07	-0.08	-0.08
Middle Distillate	243	243	258	268	268	264	248	247	-0.19	-0.09	0.23	0.27
Residual Fuel Oil	96	97	103	107	106	118	108	109	-0.08	-0.06	0.01	0.09
Total Products <sup>3</sup>	561	560	579	595	592	603	568	575	-0.18	-0.18	0.20	0.35
Total <sup>4</sup>	937	937	948	971	969	933	916	933	-0.10	-0.36	0.50	0.34
<b>Pacific</b>												
Crude	158	165	158	150	154	188	165	171	-0.17	0.00	0.10	-0.12
Gasoline	26	26	24	24	24	24	25	26	-0.03	0.02	0.01	-0.02
Middle Distillate	63	64	69	79	85	81	81	81	-0.13	-0.22	0.17	0.22
Residual Fuel Oil	15	14	14	15	16	19	16	20	-0.03	-0.02	-0.02	0.02
Total Products <sup>3</sup>	164	164	167	177	183	182	180	185	-0.23	-0.23	0.22	0.21
Total <sup>4</sup>	407	410	403	408	422	453	426	447	-0.47	-0.24	0.30	0.13
<b>Total</b>												
Crude	867	877	868	859	875	860	840	858	0.08	-0.12	0.26	-0.02
Gasoline	405	394	387	377	381	395	377	382	0.30	-0.03	-0.13	-0.15
Middle Distillate	486	495	535	561	575	566	531	531	-0.25	-0.84	0.69	0.87
Residual Fuel Oil	159	159	164	172	172	194	180	181	-0.11	-0.12	-0.02	0.14
Total Products <sup>3</sup>	1352	1355	1402	1429	1452	1474	1413	1429	-0.45	-1.30	0.93	1.05
Total <sup>4</sup>	2515	2529	2573	2603	2642	2642	2563	2613	-0.83	-1.41	1.30	1.22

**OECD GOVERNMENT-CONTROLLED STOCKS<sup>5</sup> AND QUARTERLY STOCK CHANGES**

	RECENT MONTHLY STOCKS <sup>2</sup> in Million Barrels					PRIOR YEARS' STOCKS <sup>2</sup> in Million Barrels			STOCK CHANGES <sup>3</sup> in mb/d			
	MAY94	JUN94	JUL94*	AUG94*	SEP94*	SEP91	SEP92	SEP93	Q493	Q194	Q294	Q394
<b>North America</b>												
Crude	591	592	592	592	592	569	571	586	0.02	0.04	0.02	0.00
<b>Europe</b>												
Crude	129	129	130	130	130	124	130	130	-0.01	0.00	0.00	0.01
Products	126	126	126	126	126	113	125	129	-0.01	-0.03	0.00	0.00
<b>Pacific</b>												
Crude	265	265	265	265	267	214	228	247	0.11	0.09	0.00	0.02
<b>Total</b>												
Crude	985	986	986	986	988	907	930	963	0.11	0.12	0.02	0.03
Products	126	126	126	126	126	113	125	129	-0.01	-0.03	0.00	0.00
Total <sup>4</sup>	1111	1111	1113	1112	1114	1020	1054	1092	0.10	0.09	0.02	0.03

\* Estimated

1 Stocks are primary national territory stocks on land (excluding utility stocks and including pipeline and entropot stocks where known). They include stocks held by industry to meet IEA, EU and national emergency reserve commitments and are subject to government control in emergencies.

2 Closing Stock levels.

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

4 Total includes NGL's, refinery feedstocks, additives/oxygenates and other hydrocarbons.

5 Includes government-owned stocks and stock holding organisation stocks held for emergency purposes.

**Table 6**  
**INDUSTRY STOCKS <sup>1</sup> ON LAND IN SELECTED OECD COUNTRIES**

(million barrels)

	1993	April 1994	%	1993	May 1994	%	1993	June 1994	%	1993	July 1994	%	1993	August 1994	%
<b>United States</b>															
Crude	348.7	335.0	-3.9	352.9	328.3	-7.0	352.3	321.7	-8.7	351.9	327.5	-6.9	335.5	326.2	-2.8
Motor Gasoline	224.8	213.9	-4.8	224.8	215.6	-4.1	221.3	211.6	-4.4	214.6	208.9	-2.7	202.0	202.2	0.1
Middle Distillate	140.8	143.1	1.6	145.3	156.3	7.5	156.5	164.7	5.2	168.8	181.3	7.4	173.4	188.0	8.4
Residual Fuel Oil	41.4	39.0	-5.8	43.1	39.4	-8.4	45.7	39.3	-13.9	42.5	39.3	-7.6	44.5	40.9	-8.1
Other Products	139.8	128.6	-8.0	153.4	141.4	-7.8	158.2	146.5	-7.4	165.1	152.2	-7.8	170.1	154.3	-9.3
Total Products	546.8	524.6	-4.1	566.6	552.7	-2.4	581.8	562.1	-3.4	591.0	581.7	-1.6	590.0	585.3	-0.8
Other <sup>2</sup>	139.3	134.5	-3.5	147.9	136.6	-7.6	149.9	141.0	-6.0	156.2	147.9	-5.3	166.4	153.3	-7.9
<b>Total</b>	<b>1034.9</b>	<b>994.1</b>	<b>-3.9</b>	<b>1067.4</b>	<b>1017.7</b>	<b>-4.7</b>	<b>1084.0</b>	<b>1024.8</b>	<b>-5.5</b>	<b>1099.0</b>	<b>1057.1</b>	<b>-3.8</b>	<b>1091.9</b>	<b>1064.8</b>	<b>-2.5</b>
<b>Japan</b>															
Crude	135.9	138.9	2.1	136.5	143.0	4.8	150.4	149.0	-1.0	152.6	142.4	-6.6	148.3	134.3	-9.4
Motor Gasoline	17.7	17.8	0.8	17.5	18.0	2.7	16.3	17.8	9.0	16.1	16.5	2.5	16.0	16.3	1.8
Middle Distillate	45.2	47.2	4.6	50.1	55.3	10.4	52.6	56.8	7.8	56.4	61.6	9.2	66.5	69.6	4.7
Residual Fuel Oil	12.8	12.0	-6.0	13.2	12.5	-5.3	13.3	10.8	-18.6	15.2	11.0	-27.7	16.4	12.2	-25.6
Other Products	48.0	52.9	10.2	49.2	55.1	11.8	48.8	56.1	15.0	51.7	55.9	8.0	53.6	54.7	1.9
Total Products	123.6	130.0	5.1	130.0	140.8	8.3	131.0	141.5	8.0	139.3	144.9	4.0	152.5	152.8	0.2
Other <sup>2</sup>	77.9	76.9	-1.3	78.9	78.2	-0.8	73.8	74.3	0.7	78.3	71.2	-9.0	85.4	75.7	-11.3
<b>Total</b>	<b>337.5</b>	<b>345.7</b>	<b>2.4</b>	<b>345.3</b>	<b>362.0</b>	<b>4.8</b>	<b>355.3</b>	<b>364.7</b>	<b>2.7</b>	<b>370.2</b>	<b>358.6</b>	<b>-3.1</b>	<b>386.2</b>	<b>362.8</b>	<b>-6.1</b>
<b>Germany</b>															
Crude	27.3	29.2	6.9	27.4	28.7	4.8	27.1	27.7	2.3	27.1	28.6	5.7	27.6	26.7	-3.2
Motor Gasoline	18.1	17.0	-6.2	19.4	18.2	-6.0	17.8	16.5	-6.9	18.1	16.5	-9.3	18.4	16.1	-12.4
Middle Distillate	25.5	25.4	-0.2	32.4	28.9	-10.7	25.3	26.1	3.0	26.7	30.4	14.0	29.0	29.3	0.8
Residual Fuel Oil	9.5	9.2	-2.9	9.8	9.2	-6.5	9.2	9.1	-1.7	9.9	9.4	-4.4	10.5	9.6	-8.4
Other Products	12.7	11.3	-11.2	12.6	12.0	-4.5	12.2	11.4	-6.9	12.4	11.8	-4.4	12.0	12.3	2.3
Total Products	65.8	62.9	-4.4	74.2	68.4	-7.8	64.5	63.0	-2.3	67.0	68.1	1.6	69.9	67.3	-3.8
Other <sup>2</sup>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>93.1</b>	<b>92.1</b>	<b>-1.0</b>	<b>101.6</b>	<b>97.1</b>	<b>-4.4</b>	<b>91.6</b>	<b>90.7</b>	<b>-0.9</b>	<b>94.1</b>	<b>96.7</b>	<b>2.8</b>	<b>97.5</b>	<b>93.9</b>	<b>-3.6</b>
<b>Italy</b>															
Crude	44.3	46.5	4.9	44.4	42.2	-5.0	45.6	42.1	-7.6	48.1	39.2	-18.6	43.8	42.7	-2.6
Motor Gasoline	17.3	17.0	-2.2	17.6	19.5	10.7	17.4	18.6	7.3	15.8	18.2	15.7	16.7	17.8	6.7
Middle Distillate	35.5	32.1	-9.7	39.1	35.0	-10.5	37.3	33.4	-10.5	36.5	34.0	-6.8	38.6	36.1	-6.4
Residual Fuel Oil	27.6	20.2	-26.6	26.6	20.4	-23.2	25.7	21.7	-15.5	27.0	22.3	-17.3	22.9	21.2	-7.5
Other Products	7.8	6.6	-15.5	7.7	6.7	-12.6	7.0	7.2	2.9	7.8	7.6	-3.4	9.7	7.8	-19.9
Total Products	88.2	75.8	-14.1	90.9	81.6	-10.3	87.3	80.9	-7.4	87.1	82.1	-5.7	87.9	82.9	-5.7
Other <sup>2</sup>	9.3	7.1	-23.5	9.4	6.8	-27.4	8.6	6.6	-24.0	7.8	6.1	-21.5	7.9	6.7	-15.6
<b>Total</b>	<b>141.9</b>	<b>129.5</b>	<b>-8.7</b>	<b>144.7</b>	<b>130.6</b>	<b>-9.8</b>	<b>141.5</b>	<b>129.6</b>	<b>-8.5</b>	<b>143.1</b>	<b>127.5</b>	<b>-10.9</b>	<b>139.7</b>	<b>132.3</b>	<b>-5.3</b>
<b>France</b>															
Crude	44.5	41.6	-6.5	39.3	40.8	4.0	39.4	47.4	20.2	34.1	43.3	26.9	39.1	43.2	10.4
Motor Gasoline	23.9	25.5	6.3	26.1	24.5	-5.8	25.7	24.6	-4.4	26.0	23.2	-10.6	25.8	23.4	-9.3
Middle Distillate	46.2	47.5	3.0	50.9	50.8	-0.3	49.3	51.8	4.9	52.1	52.6	1.0	58.6	54.9	-6.4
Residual Fuel Oil	8.8	6.8	-23.1	10.0	7.5	-24.5	9.3	7.6	-17.9	9.9	8.7	-11.8	10.8	9.2	-15.5
Other Products	8.9	8.1	-9.2	9.8	7.8	-20.1	8.3	7.7	-6.9	8.7	8.3	-4.8	8.9	9.6	7.7
Total Products	87.7	87.8	0.1	96.7	90.7	-6.3	92.6	91.6	-1.0	96.7	92.9	-4.0	104.1	97.0	-6.8
Other <sup>2</sup>	12.3	12.4	1.3	15.0	13.9	-7.4	14.5	12.0	-17.2	14.4	13.2	-8.7	13.3	13.7	2.8
<b>Total</b>	<b>144.5</b>	<b>141.8</b>	<b>-1.9</b>	<b>151.1</b>	<b>145.4</b>	<b>-3.7</b>	<b>146.5</b>	<b>151.0</b>	<b>3.1</b>	<b>145.2</b>	<b>149.4</b>	<b>2.8</b>	<b>156.6</b>	<b>153.9</b>	<b>-1.7</b>
<b>United Kingdom</b>															
Crude	35.5	34.2	-3.6	36.5	37.3	2.2	37.7	34.7	-7.9	35.9	36.6	2.0	37.8	38.9	2.9
Motor Gasoline	16.4	15.8	-3.9	16.1	16.8	4.7	15.5	16.8	8.5	15.3	15.8	3.5	15.8	15.4	-2.4
Middle Distillate	19.2	19.4	0.9	19.5	21.5	10.4	19.3	19.9	3.1	19.1	20.3	6.3	18.7	19.1	1.9
Residual Fuel Oil	6.7	6.5	-3.4	7.8	6.7	-13.5	8.2	6.6	-20.0	8.4	7.7	-8.2	7.8	7.7	-1.8
Other Products	11.5	9.9	-14.1	11.6	10.7	-7.4	11.6	11.3	-2.7	11.6	11.5	-1.1	11.4	11.7	3.2
Total Products	53.9	51.6	-4.3	54.9	55.8	1.6	54.7	54.7	-0.1	54.4	55.3	1.7	53.7	53.9	0.4
Other <sup>2</sup>	17.0	15.8	-6.6	16.5	16.5	0.4	17.5	15.7	-10.4	15.7	15.2	-3.7	16.5	16.8	1.8
<b>Total</b>	<b>106.3</b>	<b>101.6</b>	<b>-4.4</b>	<b>107.9</b>	<b>109.7</b>	<b>1.6</b>	<b>109.9</b>	<b>105.1</b>	<b>-4.4</b>	<b>106.0</b>	<b>107.0</b>	<b>1.0</b>	<b>108.0</b>	<b>109.7</b>	<b>1.5</b>
<b>Canada</b>															
Crude	56.2	54.1	-3.8	59.5	55.8	-6.1	58.0	60.5	4.3	59.0	61.8	4.8	57.4	57.2	-0.3
Motor Gasoline	20.1	21.8	8.2	18.1	20.6	13.8	17.1	18.0	4.8	15.7	18.1	15.4	16.5	16.6	0.6
Middle Distillate	20.4	20.3	-0.2	18.6	20.0	7.5	19.8	19.1	-3.6	23.4	22.7	-3.2	24.4	22.5	-7.8
Residual Fuel Oil	4.8	4.0	-16.5	4.6	4.0	-12.3	4.9	4.2	-13.4	5.1	4.3	-14.9	4.5	4.8	7.0
Other Products	18.7	20.2	8.2	18.5	19.2	3.6	18.4	17.6	-4.1	19.0	18.6	-2.4	18.6	17.6	-5.5
Total Products	64.0	66.3	3.7	59.7	63.7	6.7	60.2	59.0	-2.1	63.2	63.7	0.7	64.0	61.5	-3.9
Other <sup>2</sup>	8.2	8.4	2.1	9.9	10.9	10.4	11.3	14.5	28.1	13.1	16.4	25.6	14.7	16.4	11.3
<b>Total</b>	<b>128.4</b>	<b>128.7</b>	<b>0.3</b>	<b>129.1</b>	<b>130.5</b>	<b>1.1</b>	<b>129.6</b>	<b>134.0</b>	<b>3.4</b>	<b>135.2</b>	<b>141.9</b>	<b>4.9</b>	<b>136.2</b>	<b>135.1</b>	<b>-0.8</b>

1 Stocks are primary national territory stocks on land (excluding utility stocks and including pipeline and entrepot stocks where known). They include stocks held by industry to meet IEA, EU and national emergency reserve commitments and are subject to government control in emergencies.

2 Other includes NGL's, refinery feedstocks, additives/oxygenates and other hydrocarbons.

**Table 7**  
**TOTAL STOCKS ON LAND IN OECD COUNTRIES**

(millions of barrels' and 'days')

	End September 1993		End December 1993		End March 1994		End June 1994		End September 1994 <sup>3 4</sup>	
	Stock <sup>1</sup> Level	Days Fwd <sup>2</sup> Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand
Canada	129.2	75	124.0	72	123.9	74	134.0	-	-	-
United States	1665.4	94	1647.2	92	1577.7	90	1616.5	-	-	-
<b>NORTH AMERICA</b>	<b>1818.3</b>	<b>93</b>	<b>1794.9</b>	<b>91</b>	<b>1725.2</b>	<b>89</b>	<b>1774.2</b>	<b>90</b>	<b>1843.1</b>	<b>93</b>
Australia	38.7	49	35.7	46	38.0	48	35.5	-	-	-
Japan	646.8	116	617.8	100	601.6	118	629.6	-	-	-
New Zealand	9.0	62	8.4	56	7.8	57	9.3	-	-	-
<b>PACIFIC</b>	<b>694.5</b>	<b>107</b>	<b>661.9</b>	<b>93</b>	<b>647.5</b>	<b>108</b>	<b>674.4</b>	<b>105</b>	<b>688.4</b>	<b>104</b>
Austria	16.0	66	16.0	71	16.1	70	17.3	-	-	-
Belgium	29.9	57	27.5	50	27.3	57	29.1	-	-	-
Denmark	25.5	119	25.8	117	24.8	122	26.9	-	-	-
Finland	19.5	84	20.6	92	18.8	85	23.2	-	-	-
France	158.8	81	152.6	80	147.0	81	156.1	-	-	-
Germany	312.7	104	310.6	109	308.6	107	309.6	-	-	-
Greece	31.9	83	34.0	105	32.2	103	26.0	-	-	-
Ireland	7.2	70	7.7	68	7.7	75	8.3	-	-	-
Italy	137.2	66	138.9	74	134.1	77	135.4	-	-	-
Luxembourg	1.1	26	0.9	22	0.9	24	0.9	-	-	-
Netherlands	127.2	167	113.9	150	105.4	136	118.8	-	-	-
Norway	36.4	189	42.7	221	36.1	185	41.8	-	-	-
Portugal	21.3	84	20.3	83	21.0	75	22.7	-	-	-
Spain	81.2	71	77.4	69	78.5	66	81.1	-	-	-
Sweden	32.9	90	31.2	77	31.8	100	35.7	-	-	-
Switzerland	25.2	89	23.9	89	22.6	86	23.3	-	-	-
Turkey	23.3	39	28.3	51	30.8	63	30.4	-	-	-
United Kingdom	105.2	57	109.3	59	103.3	57	105.1	-	-	-
<b>EUROPE<sup>5</sup></b>	<b>1192.7</b>	<b>84</b>	<b>1181.5</b>	<b>86</b>	<b>1147.0</b>	<b>86</b>	<b>1191.6</b>	<b>88</b>	<b>1223.9</b>	<b>86</b>
<b>Total</b>	<b>3705.5</b>	<b>92</b>	<b>3638.3</b>	<b>90</b>	<b>3519.7</b>	<b>91</b>	<b>3640.2</b>	<b>92</b>	<b>3755.5</b>	<b>92</b>
<b>DAYS OF IEA NET IMPORTS<sup>6</sup></b>	<b>-</b>	<b>142</b>	<b>-</b>	<b>139</b>	<b>-</b>	<b>135</b>	<b>-</b>	<b>135</b>	<b>-</b>	<b>-</b>

- 1 Stocks are primary national territory stocks on land (excluding utility stocks and including pipeline and entrepot stocks where known). They include stocks held by industry to meet IEA, EU and national emergency reserves commitments and are subject to government control in emergencies.
- 2 Note that days of forward demand represent the stock level divided by the forward quarter average daily demand and is very different from the days of net imports used in the IEA's Emergency Sharing System.
- 3 End September 1994 stock level based on preliminary data.
- 4 End June and end September 1994 forward demand figures are IEA Secretariat forecasts.
- 5 Data not available for Iceland.
- 6 Reflects stock levels and prior calendar year's net imports adjusted according to IEA emergency reserve definitions. Net exporting IEA countries are excluded.

### TOTAL OECD STOCKS

CLOSING STOCKS	Total	Government <sup>1</sup> controlled Millions of Barrels		Companies	Total	Government <sup>1</sup> controlled Days of Fwd. Demand <sup>2</sup>	
Q391	3662	1020	2642	93	26	67	
Q491	3574	1030	2544	90	26	64	
Q192	3487	1047	2440	93	28	65	
Q292	3556	1050	2506	93	27	65	
Q392	3617	1054	2563	91	26	64	
Q492	3569	1071	2498	90	27	63	
Q193	3554	1085	2469	94	29	66	
Q293	3639	1089	2550	94	28	66	
Q393	3705	1092	2613	92	27	65	
Q493	3638	1101	2537	90	27	62	
Q194	3520	1110	2410	91	29	62	
Q294	3640	1111	2529	92	28	64	
Q394	3756	1114	2462	92	27	65	

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

2 Days of forward demand calculated using actual demand except in June and September 1994 (when latest forecast is used).

**Table 8**  
**AVERAGE IEA CIF CRUDE COST AND SPOT CRUDE AND PRODUCT PRICES**  
**(\$/bbl)**

	1991	1992	1993	3Q93	4Q93	1Q94	2Q94	3Q94	May94	Jun94	Jul94	Aug94	Sep94	Oct94
<b>Crude Oil Prices</b>														
IEA CIF Average Import	19.30	18.49	16.38	15.86	14.80	13.69	15.46	16.87*	15.57	16.39	17.23	17.07	16.30*	16.20*
FOB Spot														
Brent (Dated)	19.99	19.30	17.00	16.49	15.08	13.97	16.04	16.67	16.16	16.75	17.59	16.69	15.84	16.43
WTI (1st month)	21.53	20.54	18.44	17.78	16.42	14.84	17.81	18.46	17.90	19.07	19.66	18.39	17.43	17.70
Dubai (1st month)	16.53	17.18	14.93	14.37	13.56	12.74	14.81	15.83	14.76	15.72	16.46	15.79	15.30	15.34
<b>Product Prices 1</b>														
Rotterdam														
Premium 0.15 g/l	28.37	25.31	22.45	22.59	19.67	17.52	20.81	22.36	20.73	21.91	22.39	23.93	20.60	20.64
Regular Unleaded	26.57	23.75	20.70	20.33	17.91	16.42	19.33	20.15	19.26	20.14	20.51	21.68	18.19	19.28
Naphtha	23.71	20.93	18.47	17.66	16.33	15.00	17.04	18.05	17.28	17.94	18.41	18.07	17.70	18.96
Jet/Kerosene	28.07	24.90	23.37	22.41	23.10	20.33	20.90	21.12	20.98	20.95	20.98	20.95	21.49	22.24
Gasoil	26.96	23.76	22.28	21.54	21.39	18.99	20.19	20.29	20.28	20.26	20.35	20.41	20.16	20.35
Fuel Oil 1.0%S	14.22	14.26	13.50	13.13	11.62	12.62	12.96	14.22	12.83	13.95	15.15	14.57	12.96	15.50
Fuel Oil 3.5%S	12.27	12.90	10.22	9.35	9.30	11.28	12.60	13.34	12.57	13.67	15.18	13.45	11.42	13.63
Gross Product Worth 2	24.63	22.11	20.27	19.81	18.76	17.04	18.64	19.35	18.64	19.16	19.53	19.92	18.57	19.24
NY Harbour														
Super Unleaded 93	29.79	26.86	23.69	24.42	20.56	20.85	24.58	25.85	25.81	25.54	27.73	27.56	22.33	24.59
Regular Unleaded 87	27.54	24.57	21.58	21.53	18.55	18.20	21.13	21.92	21.25	22.16	22.88	23.37	19.46	21.27
Jet/Kerosene	26.65	24.88	23.33	22.34	22.72	23.57	21.23	21.86	21.06	21.54	22.51	21.99	21.18	22.34
No.2 (Heating Oil)	25.56	24.00	22.04	21.33	20.65	21.41	20.30	20.57	20.16	20.70	20.97	20.79	20.01	20.25
Fuel Oil 1.0%S	15.02	15.31	14.63	14.28	13.11	15.45	14.17	15.13	14.00	15.49	16.67	15.66	13.05	14.74
Fuel Oil 3.0%S	11.42	12.34	11.21	10.93	9.83	10.73	11.22	13.33	11.09	12.41	14.50	13.88	11.52	12.26
Gross Product Worth 3	23.91	22.30	20.16	19.83	17.76	17.91	19.53	20.00	19.26	20.39	21.17	20.89	17.97	19.33
Singapore														
Regular 0.15 g/l	28.63	26.56	24.01	23.28	21.51	19.31	22.75	22.19	22.72	23.40	22.62	23.74	19.98	21.25
Naphtha	22.84	20.24	17.22	16.38	14.80	13.48	15.91	17.61	16.21	16.75	17.58	17.72	17.55	18.12
Jet/Kerosene	28.29	25.39	24.42	22.77	24.07	21.56	20.89	21.16	20.94	20.14	20.73	20.71	22.11	23.26
Gasoil	28.20	25.12	24.02	22.91	22.92	20.45	20.77	20.53	21.10	20.14	20.52	20.49	20.64	21.36
LSWR (0.3%S)	15.16	14.72	14.90	13.53	10.74	11.00	13.11	16.89	13.19	14.39	18.54	18.73	13.24	13.32
HSFO (3.5%S 180cst)	14.10	13.44	11.83	11.37	10.04	10.56	13.35	14.55	13.84	13.95	16.01	15.36	12.31	13.81
Gross Product Worth 4	20.06	18.45	17.17	16.16	15.32	14.42	16.29	17.23	16.51	16.59	17.94	17.95	15.75	16.98

\* = 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 9**  
**END USER PRICES FOR PETROLEUM PRODUCTS<sup>1</sup>**  
**October 1994**

	National Currency						US Dollars					
	Price	Tax	%ch Prev.Month Price	Excl.Tax	%ch Year Ago Price	Excl.Tax	Price	Excl.Tax	%ch Prev.Month Price	Excl.Tax	%ch Year Ago Price	Excl.Tax
<b>GASOLINE<sup>2</sup> Price per Litre</b>												
France	5.600	4.537	-0.9	-3.9	0.0	-7.3	1.073	0.204	0.8	-1.9	10.2	2.5
Germany	1.490	1.174	-0.9	-3.4	12.9	-3.7	0.977	0.207	0.8	-1.9	21.2	3.5
Italy	1691.0	1289.0	-1.0	-3.4	3.7	-2.0	1.089	0.259	0.1	-2.3	6.9	0.8
Spain	108.6	74.7	-1.5	-4.2	-0.5	-1.5	0.857	0.268	-0.5	-2.9	3.8	2.7
UK	0.571	0.416	-1.2	-3.7	5.5	0.0	0.914	0.248	1.1	-1.6	12.1	6.4
Japan	117	57	0.0	0.0	-3.3	-4.8	1.182	0.606	-0.1	-0.2	4.4	2.9
Canada	0.515	0.263	-3.4	-6.7	-1.6	-2.7	0.381	0.186	-3.1	-6.5	-3.5	-5.1
USA <sup>3</sup>	0.305	0.100	-2.6	-3.8	2.3	3.5	0.305	0.205	-2.6	-3.8	2.3	3.5
<b>AUTOMOTIVE DIESEL<sup>4</sup> Price per Litre</b>												
France	3.212	2.122	-0.3	-0.9	-2.0	-12.1	0.615	0.209	1.3	1.0	7.9	-3.2
Germany	0.963	0.620	-0.1	-0.3	4.6	-9.0	0.632	0.225	1.8	1.8	12.5	-2.2
Italy	1050.42	676.04	1.0	2.8	-1.2	-3.3	0.677	0.242	2.1	4.3	2.0	0.0
Spain	70.73	40.30	-0.1	-0.1	-3.0	-6.6	0.558	0.240	1.1	1.3	1.3	-2.4
UK	0.437	0.277	-0.9	-2.4	3.9	-5.3	0.699	0.256	1.5	-0.0	10.6	0.8
Japan	77	34	0.0	0.0	6.9	-6.7	0.778	0.433	0.0	0.0	15.4	0.5
Canada	0.519	0.213	1.3	2.0	-0.6	1.0	0.384	0.226	1.6	2.3	-2.5	-1.3
USA	..	..	..	..	..	..	..	..	..	..	..	..
<b>DOMESTIC HEATING OIL Price per 1000 Litres</b>												
France	1996.6	800.0	-0.2	-0.3	-6.5	-9.6	382.4	229.2	1.5	1.4	2.9	-0.5
Germany	434.7	136.7	0.1	0.2	-4.6	-5.7	285.2	195.5	1.9	1.9	2.5	1.3
Italy	1222000	871150	0.4	1.2	-1.7	-4.8	787.1	226.0	1.5	2.3	1.4	-1.8
Spain	41499	17213	0.8	1.2	-17.8	-24.3	327.5	191.6	1.9	2.3	-14.2	-21.0
UK	132.22	26.19	0.7	0.8	-1.2	-10.8	211.4	169.5	3.0	3.1	5.1	-5.2
Japan <sup>5</sup>	47071	1371	0.0	0.0	-6.2	-6.2	475.6	461.8	-0.0	-0.0	1.4	1.4
Canada	376.0	32.0	0.0	0.0	-2.1	-1.7	278.6	254.9	0.4	0.4	-3.8	-3.4
USA <sup>6</sup>	236.2	..	0.0	..	-1.4	..	236.2	..	0.0	..	-1.4	..
<b>HFO FOR INDUSTRY<sup>4,7</sup> Price per Metric Ton</b>												
France	677.0	151.8	12.5	16.7	16.4	22.1	129.7	100.6	14.4	18.7	28.1	34.4
Germany	199.0	30.0	8.7	10.5	4.2	5.0	130.5	110.9	10.7	12.4	12.0	12.8
Italy	265000	45000	-1.1	-1.3	11.5	14.2	170.7	141.7	-0.0	-0.2	15.0	17.8
Spain	18544	2003	7.7	8.7	26.4	28.5	146.3	130.5	8.9	9.9	31.9	34.1
UK	75.79	11.67	1.1	1.3	19.5	21.3	121.2	102.5	3.4	3.6	27.1	29.0
Japan	17347	505	0.0	0.0	-27.9	-27.9	175.3	170.2	-0.0	-0.0	-22.2	-22.1
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 September 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 and Geographical Definitions

### 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 24 OECD countries consisting of the 23 Member countries of the International Energy Agency (IEA) and Iceland. Mexico continues to be included with the non-OECD countries (in Latin America) pending submission of detailed historical data needed to incorporate Mexico into the OECD. The submissions 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.

The statistical material received by the Secretariat from Member governments is supplemented by a variety of other sources, including industry contacts and consultancy services. 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 (© 1994 Platt's, a division of McGraw-Hill Inc.). Graphs in the text are of daily price data, while tables in the text and Table 8 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

Note that the totals in the tables may not add due to rounding and that percentage changes have been calculated before rounding.

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:

#### OECD Country Data

Figures for IEA/OECD countries on demand, supply and stocks are based primarily on reports from Member governments. The most recent month of official statistics available from national administrations is generally shown in Tables 2,3 and 6. Figures beyond that period are based on preliminary data and estimates submitted by the Member countries and are 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 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.

#### 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.

### Geographical Definitions

Pending the inclusion of Mexico (see above), *OECD* comprises Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, United Kingdom, United States. *Australia* excludes the Christmas Islands. *Denmark* includes Greenland and the Danish Faroes. *France* includes Corsica but excludes the overseas territories (departments). *The Netherlands* excludes the Netherlands Antilles. *Portugal* includes the Azores and Madeira. *Spain* includes the Canary Islands. *United States* excludes the US territories while North America includes the US territories.

*Non-OECD Europe* comprises Albania, Bulgaria, the Czech Republic, Hungary, Poland, Romania, Slovakia, the former Yugoslavia, Cyprus, Malta and Gibraltar. *Middle East* comprises Bahrain, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, the Neutral Zone, Oman, Qatar, Saudi Arabia, Syria, United Arab Emirates and Yemen.