

12 January 1996

HIGHLIGHTS

- In 4Q95, OECD oil demand is provisionally estimated to have increased over 4Q94 by 1.0 mb/d or 2.5% to 41.7 mb/d, an upward revision of 0.5 mb/d from last month's Report, primarily due to the coincidence of colder-than-normal weather in November and December in all three regions of the OECD. The estimate of global oil demand has been revised upwards by 0.6 mb/d in 4Q95 to 72.0 mb/d and by 0.1 mb/d in 1995 to 70.0 mb/d.
- Global oil demand in 1996 remains essentially unchanged from last month's Report following an analysis of the latest economic growth projections published by the OECD and International Monetary Fund. However, colder-than-normal weather in North America in January has led to a preliminary 0.1 mb/d upward revision to OECD and global demand in 1Q96 to 41.7 mb/d and 72.6 mb/d respectively.
- Although world oil supply appears to have risen by 0.5 mb/d in December from downwardly revised November estimates, the increase was considerably less than previously forecast because of a series of temporary weather and technical problems that shut-in existing fields and delayed the start-up or expansion of others. The combination of the November and December revisions has resulted in a 0.4 mb/d downward adjustment in 4Q95 world oil supply.
- OPEC production increased by an estimated 0.1 mb/d in December to 25.76 mb/d, led by higher Iranian output, while non-OPEC supply advanced by 0.3 mb/d to 43.3 mb/d primarily due to recovering Mexican production.
- In spite of a small reduction in exports to Eastern Europe through the Druzhba line and the continuing impact of bad weather on Black Sea loadings, net FSU exports increased slightly to 2.4 mb/d in December.
- In 4Q95, the major increase in global oil demand coupled with the decrease in non-OPEC oil supply has led to a 1.1 mb/d upward revision to the call on OPEC crude plus stock change to 26.7 mb/d. The "call" has been increased by 0.2 mb/d to 26.0 mb/d in 1Q96 but is unchanged for the year 1996 at 24.6 mb/d.
- In November, OECD industry stocks are estimated to have decreased by 0.3 mb/d with crude oil stocks continuing to rise and product stocks to fall. At the end of the month, stocks were higher than a year earlier in both Europe and the Pacific but 68 mb lower in North America. Total crude stocks were at historically high levels in the Pacific and Europe but relatively low in the US. Total distillate stocks were 16 mb higher than in November 1993 but 35 mb below the very high level reached in November 1994.
- Crude prices continued their upward trend and increased appreciably towards the end of December and in early January, with WTI passing the \$20.00/bbl mark. Seasonally rising crude demand coincided with lower than anticipated increases in crude availability, supporting crude prices. The early and sustained cold spell in the northern hemisphere, coupled with low product stocks and persisting refinery problems led to sharp increases in distillate and fuel oil prices, providing additional support to crude prices. Most notable was the rise in kerosene prices in Singapore and the rise in fuel oil prices in the US. Cracking margins increased only slightly in the US and decreased in Rotterdam due to weak gasoline prices. The Dubai hydroskimming margin in Singapore rose to the highest level since the Gulf war as a result of surging kerosene prices.
- In November the aggregate refinery throughputs for OECD countries increased by 1.2 mb/d to 32.6 mb/d, with the steepest increase in North America, followed by Europe and the Asia/Pacific. Preliminary indications for December suggest higher throughputs in all three regions.

DEMAND

Summary

- In November, US oil demand is estimated to have increased over November 1994 by 3.4%, with strong demand growth for gasoline and gasoil more than offsetting weak residual fuel oil deliveries. However, there is the potential for revisions to the preliminary gasoline and residual fuel oil data as the magnitude of the increase in gasoline demand is not supported by underlying consumption indicators and colder-than-normal weather may have led to increased residual fuel oil use. In Europe, oil use in the four largest oil-consuming countries increased by 2.4%, with strong gasoil demand more than offsetting lower residual fuel oil requirements by the power generation sector. Japanese oil demand increased by 1.1%, with strong kerosene demand due to colder-than-normal weather and increased naphtha deliveries more than offsetting low deliveries of residual fuel oil and crude oil to the power generation sector.
- OECD oil demand in 4Q95 has been revised upwards by 0.5 mb/d from last month's Report and is now estimated to have increased by 1.0 mb/d to 41.7 mb/d. The adjustment is primarily due to colder-than-normal weather in November and December in all three regions of the OECD. OECD demand in 1995 has been revised upwards from last month's Report by 0.1 mb/d to 40.4 mb/d, reflecting the strong demand in 4Q95. Non-OECD demand in 4Q95 has been revised upwards by 0.1 mb/d to 30.3 mb/d, consistent with a minor upward adjustment to FSU *apparent* demand that has resulted from a reported decline in net exports. Global demand has been revised upwards by 0.6 mb/d to 72.0 mb/d in 4Q95 and by 0.1 mb/d to 70.0 mb/d in 1995, primarily reflecting increased OECD demand.
- Global oil demand in 1996 remains essentially unchanged from last month's Report following an analysis of the latest economic growth projections published by the OECD and the International Monetary Fund (IMF). Colder-than-normal weather in North America in January has led to a preliminary 0.1 mb/d upward revision to OECD and global demand in 1Q96 to 41.7 mb/d and 72.6 mb/d respectively. OECD, non-OECD and global demand in 1996 remain unchanged from last month's Report with global demand projected at 71.5 mb/d, an increase of 1.5 mb/d or 2.1% from the revised 1995 demand estimate of 70.0 mb/d.

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OECD

Demand in November 1995

Table 2 shows total oil demand in September, while Table 3 gives demand in October for the seven largest OECD countries. The table below provides preliminary estimates for inland deliveries for those countries in November.

Preliminary Inland Deliveries - November 1995¹

	Motor Gasoline		Jet/Kerosene		Gasoil/Diesel		Residual Fuel Oil		Total Products ²	
	mb/d	% change	mb/d	% change	mb/d	% change	mb/d	% change	mb/d	% change
USA ³	7.91	+6.0	1.54	+1.3	3.30	+3.9	0.73	-16.8	17.91	+3.4
Canada	0.61	+2.7	0.09	+8.0	0.45	+3.0	0.13	-2.2	1.49	+2.5
Japan	0.88	+4.6	0.70	+13.9	1.31	+1.7	0.67	-12.2	5.51	+1.1
France	0.33	-2.6	0.09	0.0	0.85	+15.8	0.10	+1.8	1.85	+6.1
Germany	0.70	+0.5	0.12	+9.8	1.34	+10.4	0.14	-4.9	2.85	+4.0
Italy	0.39	+1.4	0.07	+18.1	0.60	+12.2	0.56	-20.0	2.05	-1.3
UK	0.55	-5.6	0.23	+15.7	0.49	-1.8	0.16	+11.1	1.76	+0.6
European Four	1.98	-1.6	0.50	+11.4	3.28	+10.0	0.96	-12.0	8.51	+2.4
Total	11.38	+4.3	2.83	+6.2	8.35	+5.8	2.49	-13.1	33.42	+2.8

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

¹ excludes refinery fuel and bunkers (except US)

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

³ fifty states only

Percentage change is calculated versus November 1994

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In November, US oil use increased by the largest proportion since August 1994, in part due to strong gasoline deliveries and weak demand in November 1994 when oil demand declined by 2.6%. The 480 kb/d increase in gasoline demand represents the largest percentage increase for two years, but compares with a 0.9% decline in November 1994 as stocks were drawn down ahead of the introduction of reformulated gasoline. The increase is not fully supported by indicators of underlying consumption such as vehicle miles driven or disposable personal income. However, gasoline demand was increased throughout 1995 by the introduction of reformulated gasoline (RFG) that resulted in improved reporting of downstream blending and loss of vehicle fuel efficiency. In the regions where gasoil use for residential heating is concentrated (New England, Mid-Atlantic and Great Lakes), there were 43% more heating degree days than in 1994 and 18% more than normal. The cold weather led to strong gasoil demand, although a small part of the demand strength was due to continuing growth in commercial highway traffic. The 16.8% decline in residual fuel oil deliveries was unexpected given a 21.8% decline in the previous November, the cold weather and stronger gas prices relative to fuel oil. There is evidence of imports of European residual fuel oil to the US in November and as

some import data are sometimes omitted from the preliminary demand data, it is possible that the demand data be subject to upward revision.

In **Europe**, oil demand in the four largest oil-consuming countries increased by 2.4%, primarily due to strong heating oil demand which was partially offset by a reduction in residual fuel oil and gasoline deliveries. Most of the demand strength was attributable to colder weather than a year earlier and heating oil demand in the four largest oil-consuming countries increased by more than 220 kb/d. Residual fuel oil deliveries declined by 130 kb/d, primarily due to a significant decline in deliveries to ENEL.

In **France**, oil demand increased strongly, mainly due to a 29.4% or 83 kb/d increase in heating oil demand which was partly caused by weather averaging 3°C colder than in the previous November. (In November 1994, unseasonably mild weather led to a 31.4% decline in heating oil demand). Diesel demand increased by 33 kb/d or 7.3% despite strong growth in November 1994. Gasoline demand declined for the eighteenth successive month, although by less than the year-to-date decline of 4.9%. In **Germany**, oil demand increased by the greatest proportion since May 1995, primarily due to a 120 kb/d or 18.4% increase in heating oil deliveries caused by colder weather than in November 1994. Gasoline and diesel demand increased less than expected, given weak demand for both products in the previous November. Chemical feedstock demand was weak, with LPG and naphtha deliveries declining by 7.8% and 2.5%, consistent with a reported downturn in the European petrochemical industry.

In the **UK**, demand increased marginally, with increases in jet/kerosene and residual fuel oil more than offsetting a decline in gasoline demand. Demand for jet/kerosene increased robustly compared with an 8.1% decline in the previous November. Similarly, a 29% decline in residual fuel oil in November 1994 was primarily responsible for a comparatively strong increase in residual fuel oil demand this November. Gasoline demand was unexpectedly weak even allowing for the strong growth in the previous November and some pre-buying of gasoline ahead of the budget tax increase which occurred in mid-November. It is thought that some misreporting of bonded and unbonded deliveries may have taken place and the demand data may be subject to upward revision.

In contrast to the three other major oil-consuming countries, oil demand decreased in **Italy** due to a significant decline in deliveries of residual fuel oil to the power generation sector compared with November 1994 when demand was increased by a large stockbuild. Heating oil demand increased by 17.8%, reflecting colder weather than the previous November. Jet/kerosene demand increased strongly for the second successive November in contrast to a year-to-date decline of 0.2%. While gasoline demand growth was somewhat weaker than expected, diesel deliveries increased by 9.4%, following weak demand growth in the previous November. In contrast to the three other major oil-consuming countries, feedstock demand was robust with LPG and naphtha deliveries increasing by 18.3% and 9.7% respectively.

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Oil demand in **Japan** increased marginally in November, in comparison with a decrease of 3.4% in October. Demand strength for naphtha and jet/kerosene more than offset continuing weakness in demand for residual fuel oil and crude in the power generation sector. Naphtha deliveries increased by 100 kb/d or 14.3%, in comparison with a minor decline in October. Following the emergence of a glut of ethylene in the Far East

after many months of strong demand, there were indications in October that Japanese producers had reduced production and hence their requirement for feedstocks but this reduction clearly appears to have been short-lived. The strong growth in jet/kerosene demand is consistent with colder temperatures than a year earlier when the weather was unseasonably mild. Deliveries of residual fuel oil and crude to the power generation sector declined by 17.5% and 8% respectively. This demand weakness is in line with expectations given strong demand in November 1994, which occurred due to reduced hydro-electricity production. Electricity demand increased by 3.9% and was met, in part, by an increase in nuclear and hydro output of 13.8% and 20.5% respectively. Motor gasoline demand increased by the largest proportion since January 1994, despite strong growth in the previous November.

OECD Economic Growth Projections

The OECD's latest published estimates and projections for real GDP growth in the seven largest countries in 1995 and 1996, released in December 1995, are reproduced below. The estimate of economic growth in 1995 has been downgraded in five of the seven countries (*see Report, 7 July 1995*) but the total OECD growth rate has only been reduced by 0.2%. OECD economic growth in 1996 has been reduced from 2.6% to 2.5%, primarily reflecting downward adjustments to European and Japanese economic growth which have more than offset an upward adjustment to US economic growth.

OECD Real GDP Growth 1993-1996
seasonally adjusted at annual rates
(% per annum)

	1993	1994	1995	1996	1H95	2H95	1H96	2H96
US	3.1	4.1	3.3	2.7	2.9	3.1	2.5	2.7
Canada	2.2	4.6	2.4	3.0	1.3	1.4	3.2	4.3
Germany	-1.2	2.9	2.1	2.4	2.0	1.6	2.6	2.6
France	-1.5	2.9	2.7	2.2	2.8	1.2	2.4	2.6
Italy	-1.2	2.2	3.1	2.7	2.7	2.8	2.7	2.6
UK	2.3	3.8	2.7	2.4	2.4	2.1	2.4	2.7
Total Europe	-0.2	2.4	2.9	2.6	3.0	2.4	2.6	2.7
Japan	-0.2	0.5	0.3	2.0	-0.3	1.0	2.1	2.7
Total OECD	1.2	2.8	2.6	2.5	2.2	2.5	2.5	2.8

Total OECD excludes Mexico for this analysis
Source: OECD Economic Outlook, December 1995

In the **US**, economic growth in 1995 has been increased marginally to 3.3%, in part due to strong growth in the second half of the year, which followed a reduction in interest rates. After four years of accelerating economic growth, the rate of growth in the US is estimated to have slowed in 1995 but to have remained somewhat stronger than in the six other countries. The rate of US economic growth is projected to slow further in 1996 to 2.7%. This rate of growth is 0.4% points higher than previously projected, reflects recent exchange rate changes and incorporates an assumption of continuing low inflation and low interest rates.

In **Europe**, economic growth in 1995 in the four largest countries combined has been reduced marginally to 2.9%, reflecting downward revisions to German, French and British economic growth. In 1996, the rate of economic growth is projected to slow to 2.6% from a previous estimate of a 3.0% increase, consistent with the likely imposition of economic austerity programmes in some countries to meet the requirements of European Monetary Union. Economic growth in **Germany** in 1995 and 1996 is significantly lower than previously anticipated, consistent with high exchange rates and high wage settlements in 1995, which have contributed to poor business confidence. An acceleration in German economic growth in 1996 is still anticipated however, consistent with a projected increase in business investment. In **France**, economic growth in the first half of 1995 was greater than anticipated but a subsequent introduction of tighter fiscal and monetary policies led to a significant reduction in the rate of growth in 2H95. Although French economic growth in 1996 is projected to be higher than in 2H95, it is now anticipated to be lower than in 1995 as a whole. The growth projection for 2H95 and 1H96 may be subject to some downward revision due to industrial unrest in 4Q95. Economic growth in **Italy** in 1995 has been revised upwards marginally, reflecting strong export growth due to a depreciated currency. In 1996, the rate of growth is projected to slow yet remain higher than many other European countries. In the **UK**, economic growth in both 1995 and 1996 has been revised downwards, in part reflecting the response of domestic demand to monetary and fiscal tightening.

The **Japanese** economy expanded more slowly in 1995 than originally anticipated, from a projected growth of 1.3% earlier in the year to 0.3% in the latest outlook. This was primarily due to a sharp appreciation of

the yen and a greater than anticipated disruption to economic activity following the Kobe earthquake. The appreciation of the yen not only weakened export demand but is also thought to have restrained domestic demand by adversely affecting consumer confidence and spending. Economic growth in Japan is projected to accelerate in 1996, partly as a result of recent monetary loosening and weakening of the yen. However the anticipated 2.0% growth is less than the previous projection of a 2.3% increase and may be even lower if the yen strengthens again against other currencies.

Demand in 4Q95

The estimate of OECD oil demand in 4Q95 has been revised upwards by 0.5 mb/d from last month's Report to 41.7 mb/d, an annual increase of 1.0 mb/d or 2.5%. After a mild start to the quarter in all regions of the OECD, the weather has been significantly colder than normal in November and December. In addition, upward adjustments have been made to October demand data for Europe and Japan following receipt of revised government data.

Fourth Quarter OECD Oil Demand by Region

(million barrels per day)

	4Q94	4Q95	Change	
			mb/d	%
North America	19.7	20.3 ^r	+0.6	+3.0
Europe	14.0	14.4 ^r	+0.4	+2.9
Pacific	6.9	6.9 ^r	+0.0	+0.5
OECD Total	40.7	41.7 ^r	+1.0	+2.5

^r revised since last month's Report

The projection of **North American** demand has been revised upwards substantially from last month's Report, primarily due to significantly colder-than-normal weather in December which is believed to have led to marked increases in heating oil and residual fuel oil deliveries. In addition, US demand in November was greater than anticipated, also due to colder-than-normal weather, although the preliminary data for gasoline demand may be subject to downward revision. With no submission of Monthly Oil Statistics from the US government due to the budgetary impasse, October data remain subject to revision. The US experienced the coldest December since 1989 with 8% more heating days than normal and 27% more than in December 1994, measured on a heating oil weighted basis. Confusingly, preliminary data for the four weeks up to 29 December show an increase in deliveries of only 0.7% with strong growth for gasoil of 17.8% almost offset by declines in gasoline and residual fuel oil demand of 3.5% and 5.7% respectively. While the data for gasoil and gasoline deliveries are consistent with cold weather and resulting poor driving conditions, the reported decline in residual fuel oil deliveries appears suspect. Many power generation utilities are reported to have switched from gas to fuel oil in December due to changes in the price differential between gas and fuel oil and to interruption of gas supply to some customers with interruptible contracts. In addition, residual fuel oil is thought to have met much of the incremental electricity demand resulting from the unusually cold weather.

The estimate of **European** oil demand has been revised upwards by 0.1 mb/d from last month's Report due to a combination of upward revisions to last month's preliminary demand data for October, greater-than-anticipated demand in November and colder-than-normal weather in December, which is believed to have led to increased deliveries. Significant upward adjustments have been made to October demand data for France and Italy due to an underestimation of fuel oil deliveries. In particular, Italian demand in October increased by 6.6% compared to 0.5%, as originally reported, primarily due to a 2.3% increase in fuel oil deliveries compared to a preliminary estimate of a 7.9% decline. Turkish oil demand growth continued to exceed expectations, increasing by 22% in October, following weak growth in the previous October. In addition to colder-than-normal weather in December, strike action in France reduced exports of electricity to neighbouring countries, and the shortfall in electricity supply is believed to have been met by increased oil use in Italy, Spain and the Benelux countries.

In the **Pacific** region, demand has been revised upwards by 0.1 mb/d from last month's Report due to an upward revision to the preliminary estimate of Japanese demand in October, colder-than-normal weather in Japan in November and December, and greater-than-anticipated demand in Australia. The decline in Japanese demand in October was less than originally reported, decreasing by 3.4% rather than 3.9%, with a reduced decline in crude and fuel oil deliveries to the power generation sector. In November, colder-than-normal weather led to stronger than expected jet/kerosene demand and this trend is thought to have continued in December. Australian demand increased by 5.3% and 3.0% in October and November, despite strong

growth in the same period in the previous year. Australian oil demand has increased in the year-to-date by 4.3%, in part due to strong demand growth for jet/kerosene and residual fuel oil.

Demand in 1995

In 1995, OECD oil demand is estimated to have increased by 0.5 mb/d or 1.2% to 40.4 mb/d, a 0.1 mb/d upward revision from last month's Report. The estimate of North American demand has been revised upwards by 0.1 mb/d from last month's Report to 19.8 mb/d, almost totally due to revisions made to the estimates of demand in the fourth quarter.

Demand in 1996

OECD demand in 1996 remains unchanged from last month's Report at 40.9 mb/d, an annual increase of 0.5 mb/d or 1.3%. An expectation of higher economic growth in North America has been more than offset by an expectation of lower economic activity in Europe and Japan and the net effect of these changes on the projection of OECD oil demand in 1996 is expected to be minor. However, colder-than-normal weather in January in North America has led to a preliminary 0.1 mb/d upward revision to the projection of OECD demand in 1Q96 to 41.7 mb/d.

North American demand is projected to increase by 1.6% or 0.3 mb/d to 20.1 mb/d, essentially unchanged from last month's Report. The projection incorporates minor upward adjustments, consistent with an upward revision to the projection of US economic growth and colder-than-normal weather in January. Very cold weather in the East Coast in early January suggest stronger-than-anticipated heating oil demand and higher use of residual fuel oil which are expected to more than offset lower transport fuel demand caused by unfavourable driving conditions. North American demand in 1Q96 has been revised upwards from last month's Report by 0.1 mb/d to 20.1 mb/d. For the year as a whole, the rate of US gasoline demand is expected to moderate, following strong growth in 1995 which in part resulted from improvements in the reporting of gasoline blend stock components and loss of fuel efficiency that occurred with the introduction of RFG. This step change will be fully captured in the data by the start of 1996 and growth rates are likely to return to lower levels. Demand for residual fuel oil is projected to continue to decline in 1996, due to increased natural gas infrastructure, but at a slower rate than in 1995.

European demand is projected to increase by 1.0% or 0.1 mb/d to 14.1 mb/d. This reduction in the rate of growth compared with 1995 is consistent with a slightly lower projection of economic growth. In addition, petrochemical feedstock demand growth is unlikely to be as great as in 1995 and heating oil and residual fuel oil demand will continue to be affected by substitution by natural gas. Jet/kerosene demand is projected to remain robust due to increased travel as deregulation is projected to lead to air fare reductions. Diesel demand is also expected to continue to grow faster than gasoline. The projection of heating oil demand remains uncertain and subject to revision as the impact of cold weather on demand at the end of 4Q95 and on consumer stock levels entering 1Q96 is currently unclear. However, the projection of European demand in 1Q96 has been revised downwards by 0.1 mb/d from last month's Report, consistent with lower economic growth in France and Germany in the second half of 1995 and in 1996. In the **Pacific** region, oil demand is projected to increase by 0.9% or less than 0.1 mb/d to 6.7 mb/d, a 0.1 mb/d downward revision from last month's Report, reflecting the downward revisions to economic growth projections.

1996 OECD Oil Demand Projections

	1Q96		2Q96		3Q96		4Q96		1996	
	mb/d	change*	mb/d	change*	mb/d	change*	mb/d	change*	mb/d	change*
North America	20.1 ^r	0.5	19.8	0.4	20.2	0.4	20.3	0.0	20.1	0.3
Europe	14.1 ^r	0.1	13.7	0.2	13.9	0.2	14.5	0.1	14.1	0.1
Pacific	7.4	0.1	6.3	0.1	6.4	0.1	6.9	0.0	6.7 ^r	0.1
Total	41.7^r	0.7	39.8	0.6	40.5	0.7	41.8	0.0	40.9	0.5

^r revised since last Report
* mb/d year-on-year change

Non-OECD

Economic and Oil Demand Developments

The IMF's latest historical data and projections for GDP growth, adjusted to the same non-OECD regional definitions as used in the Report, are shown in the table below. In 1996, the rate of economic growth is projected to accelerate for the fifth successive year, primarily due to a return to economic growth in the FSU and marked improvements in the economic prospects for Latin America and Africa. The IMF economic

forecasts were published in October 1995 and the implications on oil use were already incorporated into the demand projections in earlier Reports.

Non-OECD Real GDP Growth 1992-1996

(% per annum)

	1992	1993	1994	1995	1996
FSU	-18.6	-12.7	-16.3	-5.6	2.9
Europe	-6.8	-0.9	3.3	4.0	4.4
China	13.1	13.7	11.5	11.4	n.a.
Other Asia	5.1	5.3	6.3	6.7	6.8
Latin America	2.7	3.3	4.6	1.8	4.0
Middle East	5.3	2.4	2.0	2.2	2.9
Africa	0.7	0.8	2.6	3.0	5.2
Total Non-OECD	2.6	4.0	4.6	5.2	6.0

Total Non-OECD includes Mexico for the purpose of this analysis
Source: IMF World Economic Outlook, October 1995

The estimated decline of 5.6% in economic activity in the **former Soviet Union** in 1995 is less than the 7.9% reduction anticipated in May 1995. Economic growth is forecast in 1996 but at a slower rate than previously projected, reflecting slower-than-anticipated economic reform in some states. Despite the projected turnaround in economic activity, oil demand is still projected to decline in 1996, reflecting continuing substitution by natural gas and declines in heavy industry which relies significantly on oil. In non-OECD **Europe**, economic growth in 1995 has been revised upwards from 3.5% to 4.0%, consistent with robust economic activity resulting from relative macroeconomic stability and major structural reform. The economic changes have strengthened financial incentives for increased productive investment and trade. In 1996, the rate of growth is projected to accelerate further to 4.4%, slightly higher than previously forecast. Oil demand is projected to increase by more than 4% in 1996, for the third successive year. In the longer term, the rate of oil demand growth is expected to moderate as end-user energy prices increasingly reach international levels and encourage more efficient use of resources.

Economic growth in **China** in 1995 is estimated to be essentially unchanged from 1994, despite the continuation of an economic austerity programme introduced in late 1993 to constrain inflation and limit the increasing regional divergence in wealth. The IMF previously anticipated a slowdown in growth in 1995 to 8.9%, and the latest upward adjustment reflects the limited success of the austerity programme. Economic growth is anticipated to slow somewhat in 1996. In 1995, the Chinese oil market continued to be closely regulated, following the implementation in 1994 of product import controls to encourage use of Chinese refined products. Some easing of import restrictions in the second half of 1995 may have boosted demand and led to an annual increase of some 6.0% for the year as a whole. A similar rate of oil demand growth is anticipated in 1996 despite a slightly lower economic growth rate. This is in part due to a planned expansion of petrochemical capacity, which will result in increased naphtha and LPG use.

In **Other Asia**, economic growth in 1995 is estimated to have accelerated for the fourth successive year to 6.7%, unchanged from the previous projection. Growth has been particularly robust in India, which has continued to benefit from structural reforms introduced in 1991. In contrast to the previous outlook, which projected a minor slowdown in the rate of economic expansion in 1996, a minor acceleration in the rate of growth is now anticipated. The IMF suggests that the strong economic growth may result in inflationary pressures which may require a tightening of economic policy and thus lead to a reduction in the projected rate of economic growth. Oil demand is estimated to have increased by 7.3% in 1995 with particularly strong growth occurring in South Korea and India. In 1996, oil demand growth is expected to moderate slightly to 6.5%, as part of the unusually strong growth in 1995 was due to a one-off significant increase in petrochemical capacity and colder than normal weather in 4Q95 in South Korea, which led to increased kerosene deliveries.

The estimate of **Latin American** economic growth in 1995 has been revised downwards from 2.3% to 1.8%, primarily due to a greater-than-anticipated decline in Mexican economic activity. The OECD's own estimate of Mexican economic decline in 1995 changed from a projection in June 1995 of a fall of 2.9% to the latest estimate of a 6.0% decrease. The Mexican authorities responded to the abrupt outflow of capital at the end of 1994 by introducing a stabilisation plan that has recently improved the fiscal position, reduced the external deficit and contained inflation. The Argentine economy was affected by the Mexican crisis and economic growth also faltered in 1995. In Brazil, the stabilisation of the currency in late 1994 fostered a sustained economic recovery, which is expected to continue in 1996. In 1996, the OECD projects a return to economic

growth in Mexico of 3.0%. A similar recovery is anticipated by the IMF and is incorporated into a projected 4.0% increase in economic growth in Latin America. In 1995, Latin American oil demand is estimated to have increased by 1.7%, with a decline in Mexican demand of about 7% more than offset by strong demand growth in Brazil of 10% and modest growth elsewhere in the region. In Mexico, the currency devaluation and high interest rates have impacted on gasoline demand and new car sales. Residual fuel oil demand has declined, in part due to a mild wet summer that reduced demand from the power generation sector. In 1996, Latin American demand is projected to increase by more than 3%, reflecting a slow recovery in Mexican demand in the latter part of the year and continuing but slower demand growth in Brazil.

In the **Middle East**, economic growth in 1995 has been revised downwards to 2.2%, consistent with persistent budgetary imbalances. A reduction in public spending and increases in energy end-user taxes in Saudi Arabia and Iran have constrained growth. However, greater economic growth is projected in 1996, reflecting an improvement in the fiscal position of some countries. The IMF also suggests that this growth will be supported by increased confidence brought about by the peace process and by greater intra-regional cooperation. The increases in consumer energy prices in 1995 in the two largest consumers in the region are estimated to have contributed to oil demand growth in the region of less than 1%. Significant increases in Saudi Arabian electricity prices have reduced electricity demand and hence the generation sector's requirement for residual fuel oil. In 1996, a further reduction in energy subsidies in Iran is considered likely. Stronger economic growth and increased petrochemical activity in the Middle East are projected to contribute to slightly stronger oil demand growth in 1996, increasing by above 1% to 4.1 mb/d.

The estimate of **African** economic growth in 1995 has been revised downwards to 3.0%, but still represents the fourth successive year of accelerating economic growth. The recovery is primarily due to the adoption of market-oriented policies in an increasing number of countries, although economic activity was weaker than anticipated in Nigeria. In spite of stronger economic growth, per capita wealth is increasing very slowly and the improvement is concentrated in certain countries of the region. In 1996, the African economy is projected to grow by 5.2%, similar to the previous projection and consistent with continuing market liberalisation and improvements to the economies of southern Africa. Oil demand is estimated to have increased by 1.7% in 1995 and is projected to increase by more than 2% in 1996, reflecting the stronger economic growth and strong transport fuel demand, particularly in South Africa. The demand growth may be constrained by increased substitution of residual fuel oil with natural gas in the power generation sector, particularly in Egypt but also in the Magreb region.

Non-OECD and Global Demand in 1995 and 1996

Non-OECD demand in 1995 remains essentially unchanged from last month's report, an annual increase of 3.1% or 0.9 mb/d to 29.6 mb/d. Colder-than-normal weather in South Korea in 4Q95 may have led to increased jet/kerosene deliveries but, until further information is available and given the uncertainties in other parts of the region, the assumed South Korean demand growth rate of 11% in 4Q95 remains unchanged. Mexican demand in November declined by 10%, slightly more than anticipated, but the estimate of Latin American demand in 4Q95 and 1995 remains essentially unchanged given that the estimate of Brazilian demand in the latter part of 4Q95 may be understated and subject to upward revision. In the former Soviet Union, exports of crude declined in the latter part of 4Q95 and it is not yet certain whether oil consumption increased correspondingly or stocks were built. FSU apparent demand in 4Q95 has been revised upwards marginally and this has led to a 0.1 mb/d upward revision to 4Q95 non-OECD demand to 30.3 mb/d.

Global oil demand in 4Q95 has been revised upwards by 0.6 mb/d from last month's Report and is estimated to have increased by 2.3% or 1.6 mb/d to 72.0 mb/d. Global demand in 1995 has been revised upwards by 0.1 mb/d to 70.0 mb/d, an annual increase of 2.0% or 1.4 mb/d. In 1996, non-OECD and global oil demand are unchanged from last month's Report at 30.5 mb/d and 71.5 mb/d respectively, equivalent to increases of 3.3% and 2.1% from the revised 1995 volumes.

SUPPLY

Summary

- World oil production increased again in December, but by only about 40% of the recovery of more than 1 mb/d in November from October hurricane outages in the Gulf of Mexico. Most of the 0.4 mb/d increase to a new record of 71.54 mb/d in December occurred in non-OPEC production, with Mexico accounting for more than half of that. Nonetheless the increase was much less than expected, having been restrained by bad weather in the North Sea, Northwest Australia and the Gulf of Alaska, as well as pipeline sabotage in Colombia and technical problems on the Alaskan North Slope.
- OPEC crude oil production increased by an estimated 0.1 mb/d in December to 25.76 mb/d, led by higher output from Iran, Nigeria and Venezuela. Saudi Arabian production appears to have been unchanged for the month. NGL production also is thought to have seen a small increase. Despite the higher output, market concerns over leadership changes in Saudi Arabia, threatened strikes in Venezuela, political turmoil and the threat of sanctions against Nigeria added to the upward pressure on crude oil prices during the month resulting from higher demand and lower-than-expected supply.
- Non-OPEC supply had been expected to show another large increase in December as new oil fields added significantly to supplies from the North Sea, Australia, Mexico and Colombia. Bad weather appears to have delayed four North Sea oil fields with start-ups scheduled in December and forced the shutdown and repair of the production vessel serving two large new Australian fields that had just started producing in November. Planned new field developments in the Mexican Gulf of Campeche have similarly been delayed into 1Q96. Incremental production from the Colombian Cusiana field and planned test production from the Cupiagua field were also postponed due to pipeline bombings in December. November output from Colombia's Cano Limon had been reduced by earlier sabotage.
- Russian crude oil exports declined in November and December as the result of port closures in the Black Sea. Russian pipeline exports to Central and Eastern Europe also appear to have been slightly restrained by the beginning of competition from the Adria and Ingolstat pipelines.
- Comparing the current estimates for 1995 non-OPEC supply with the forecast made at the beginning of last year reveals several interesting features. Unanticipated supply-reducing events like the Brazilian workers' strike in May, the hurricanes in the Gulf of Mexico in October and the recent typhoons in the western Pacific had less impact than the outperformance of Russian oil production and higher US Gulf of Mexico and western Canadian output resulting in a net upward revision of 0.4 mb/d. What were considered to be very aggressive North Sea forecasts were in general borne out, but small adjustments were needed raising African production and the lowering Asian estimate.

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Overview of Supply Developments and Revisions

The concurrence of supply-reducing events in December is another reminder that the uncertainties of oil supply can go either way. After a series of fields in the North Sea and elsewhere had started up ahead of schedule and produced above expectations, December saw delays in start-up of four fields and weather-related reductions and technical problems in several existing fields. As with demand, forecasts are typically

made assuming "normal weather" in the case of supply, assuming that seasonal storm occurrences and severity will roughly track the average patterns of the last several years. The situation in 4Q95 has been anything but normal. Although the hurricane season in the Gulf of Mexico, which has been discussed extensively in the last two Reports, had a larger quantitative impact on supply, the breadth of the weather impacts in December was wider ranging, from the North Sea to the Northwest Shelf of Australia and from the Black Sea to the Gulf of Alaska. World supply increased by 410 kb/d in December despite the weather, primarily because of the continued recovery of Mexican production. Nonetheless, December supply appears to have been considerably below expectations and combined with some smaller weather-related downward revisions to October and November estimates, 4Q95 world supply has been revised downwards by an unusually large 0.5 mb/d, with somewhat over 100 kb/d in each of the OECD regions and a net 100 kb/d for the rest of the non-OPEC producers.

Non-OPEC Oil Supply

(million barrels per day)

	1993	1994	1995 ^p	1996 ^f	4Q94	1Q95	2Q95	3Q95	4Q95 ^p
CRUDE OIL									
North America	8.28	8.15	8.06	7.99	8.18	8.15	8.07	8.00	8.05
United States	6.85	6.66	6.52	6.43	6.68	6.63	6.56	6.44	6.46
Canada	1.43	1.48	1.54	1.56	1.50	1.51	1.51	1.56	1.59
Europe	4.77	5.61	5.86	6.58	5.99	5.85	5.53	5.77	6.29
North Sea	4.35	5.18	5.44	6.13	5.57	5.43	5.11	5.34	5.86
UK*	1.87	2.37	2.42	2.76	2.54	2.52	2.21	2.40	2.56
Norway	2.28	2.57	2.78	3.13	2.79	2.67	2.67	2.71	3.06
Other North Sea**	0.20	0.24	0.24	0.24	0.24	0.24	0.24	0.23	0.24
Other Europe	0.41	0.42	0.42	0.46	0.42	0.42	0.42	0.42	0.43
Pacific	0.55	0.59	0.57	0.80	0.59	0.56	0.57	0.58	0.56
Australia	0.50	0.54	0.52	0.76	0.55	0.52	0.53	0.53	0.52
Other Pacific	0.06	0.05	0.04	0.05	0.04	0.04	0.04	0.05	0.05
Total OECD	13.59	14.34	14.49	15.37	14.76	14.55	14.17	14.34	14.89
Latin America	5.01	5.17	5.32	5.70	5.22	5.34	5.27	5.54	5.15
Asia (incl. China)	4.60	4.65	4.93	5.15	4.90	4.87	4.88	4.95	5.04
Africa	1.86	1.86	2.02	2.16	1.88	1.95	2.02	2.03	2.07
Other Middle East	1.60	1.77	1.87	1.94	1.82	1.84	1.86	1.89	1.90
Central and East Europe	0.25	0.25	0.24	0.24	0.25	0.24	0.24	0.25	0.24
Total Non-OECD (ex. FSU)	13.32	13.69	14.39	15.20	14.07	14.23	14.26	14.66	14.40
Russia	6.75	6.10	5.99	5.82	6.19	6.02	6.01	5.95	5.98
Other Republics	0.81	0.74	0.83	0.88	0.76	0.78	0.81	0.84	0.87
Total FSU	7.57	6.85	6.81	6.70	6.95	6.79	6.82	6.79	6.86
NGLs & OTHER									
United States	1.97	1.98	2.07	2.09	2.07	2.07	2.08	2.05	2.08
Canada	0.75	0.79	0.85	0.92	0.85	0.88	0.86	0.81	0.87
North Sea	0.30	0.38	0.42	0.48	0.44	0.45	0.39	0.38	0.45
Russia	0.20	0.17	0.18	0.20	0.18	0.21	0.14	0.17	0.20
Other Non-OPEC	1.41	1.45	1.49	1.66	1.48	1.48	1.44	1.49	1.54
Total NGLs & Other	4.62	4.77	5.01	5.35	5.03	5.09	4.90	4.90	5.14
Processing Gains	1.39	1.43	1.48	1.51	1.43	1.48	1.48	1.48	1.48
Total Non-OPEC Supply	40.49	41.08	42.18	44.12	42.23	42.14	41.64	42.17	42.77

^f forecast

* excluding on-shore production

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

The revisions to 1Q96 forecasts are considerably smaller, since the delays in start-up of three UK fields and one Norwegian field are expected to be only a few weeks. Repairs to an Australian production vessel may take somewhat longer. There have also been some adjustments to 2Q96 North Sea production to recognise the continued delays in resolution of a gas contract dispute that is preventing the completed UK J-Block fields from starting up and a small additional delay for the West of Shetlands Foinaven field. The resulting downward revisions about 100 kb/d for Europe in each of the first two quarters of 1996 and about 50 kb/d in 1Q96 for Australia due to the four- to six-week outage for the 115 kb/d Wanaea-Cossack complex.

OECD

OECD oil production is estimated to have decreased by 20 kb/d in December as US production declined unexpectedly and anticipated growth in the North Sea and Pacific was reversed by storms. US supply decreased by about 40 kb/d, while the North Sea declined by 20 kb/d. Canadian NGL and syncrude production is thought to have increased by a combined 20 kb/d.

North America

Preliminary weekly data up to 29 December indicate US crude oil production declined by about 50 kb/d in December, as Alaskan production was unexpectedly slightly lower and Lower 48 production appears to have fallen by more than 40 kb/d to below the 5.0 mb/d level for the second time in the last three months. Maintenance and a small fire are known to have restrained Alaskan output in December but the Lower 48 reduction is thought to have been spread among a number of areas, with no single dominant cause. In contrast, the low levels of production in October were attributable to a single event, namely hurricane outages in the Gulf of Mexico. Preliminary data also indicate that NGL output is lagging last year's levels.

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Alaskan production declined by 6 kb/d in December to 1473 kb/d versus an expected gain of about 45 kb/d. Most of the anticipated increase was expected to come from the Prudhoe Bay field which only managed a 4 kb/d increase. Likewise, the Kuparuk field was projected to increase by about 10 kb/d, but appears to have decreased slightly instead. Scheduled maintenance during the first week of the month at the Lisburne Production Center resulted in an 8 kb/d decline in monthly average production, primarily from the Point McIntyre field. Part of the unexpectedly low December Alaskan production is attributable to a fire in the second week of the month that shut down some power generation facilities on the North Slope. It does not appear that stormy weather in the Gulf of Alaska and associated tanker delays had any appreciable impact on pipeline throughput during December, but storage at the Valdez port is now relatively full and subsequent tanker delays would be expected to require reductions in TAPS flows and North Slope field production.

State level production data for the Lower 48 are not available from the US government due to the budget impasse, but weekly state-level data up to 22 December from the *Oil & Gas Journal* indicate the decline in crude oil production is spread among the producing states, although onshore Texas production appears to account for about 35 kb/d or more than half of the Lower 48 onshore decline. The Gulf of Mexico is estimated to have increased by 25 kb/d in December with increasing production from new fields and California crude production is judged to have been unchanged. Other onshore Lower 48 states decreased by about 30 kb/d. The unexpectedly low Lower 48 NGL production in November and December is believed to be the result of a return of "ethane rejection" (see *Report, 9 March 1994*) due to the unusually high prices of natural gas caused by the early season cold snap. Because of the high gas prices, ethane is more valuable used in natural gas to add volume and enhance heat content than as a petrochemical feedstock. Also since the extraction plants typically are fuelled with natural gas, the opportunity cost of using the gas at the plants increases with gas prices.

Preliminary data from the **Canadian** government indicate that total oil production decreased by 26 kb/d to 2369 kb/d between September and October, as a 63 kb/d decrease in Alberta conventional oil production more than offset a 25 kb/d seasonal rise in NGL production and gains of 8 kb/d in Saskatchewan crude oil output and 6 kb/d from Alberta's two synthetic crude plants. Canada's total oil production was 74 kb/d above year-earlier levels in October, in line with the year-on-year increases shown over the preceding three months. During the first half of 1995, the year-on-year increases had been twice that large, but increasing pipeline capacity for both oil and natural gas began to increase output during the second half of 1994. Exports to the US in October 1995, primarily to the Chicago area, were 12.3% above 1994 levels, while natural gas exports were up by 8.7%.

Additional increases in production and exports are estimated to have occurred in the last two months of the year, with production in November thought to have been 130 kb/d higher than in October due to a 60 kb/d rebound in Alberta production, seasonally higher NGL production and a 20 kb/d gain in synfuels output. An estimated 20 kb/d monthly gain in December primarily reflected seasonal increases in NGL production.

North Sea

The estimated 20 kb/d decrease in North Sea output in December was the result of lower UK production more than offsetting gains in Norwegian and Danish production. Norwegian production increased by about 85 kb/d due to rapid escalation in Heidrun production, while UK production fell by 120 kb/d as a result of lower production from the Forties system following freezing of onshore equipment late in the month, the testing of emergency systems, and some earlier technical problems at two of the system's fields. Denmark's production is believed to have recovered from an unexpected decline in November, advancing by about 10 kb/d. Almost as significant as the direct impact of the weather on producing North Sea fields was the delay in the UK Harding and Douglas/Lennox fields and in Norway's Yme field, which in total had been expected to add more than 50 kb/d to December North Sea output.

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Crude oil production in the **UK** sector of the North Sea is estimated to have declined by about 65 kb/d in November to 2.59 mb/d versus an expected gain of 90 kb/d. The monthly decline was spread among the major systems and generally reflected small declines in several of the component fields. The Flotta system output dropped by about 20 kb/d and Ninian system crude production decreased by around 10 kb/d, while production from individual fields loaded offshore fell by 30 kb/d. Forties system production was 10 kb/d lower than in October, while Brent system output was essentially unchanged. Brent production had been expected to show a 70 kb/d increase for the month, accounting for most of the November shortfall. Small increases had also been anticipated for the Ninian system and for the offshore-loaded fields.

The major shortfall in the Brent system was at the Brent field, where a recovery to full production at the Brent Bravo platform had been expected. With all four platforms back in full operation, output was expected to reach 245 kb/d, but crude oil output appears to have only slightly exceeded 220 kb/d. The planned three-month production shutdown of the South Cormorant platform had an effect on November production,

apparently leading to a 15 kb/d decline for the month, 10 kb/d more than anticipated. Osprey and Dunlin also experienced monthly declines of about 5 kb/d versus expected gains of approximately the same magnitude.

Ninian system production was again reduced by apparent well-performance problems at the Magnus field which reduced output by about 10 kb/d. Further, an expected 10 kb/d recovery in Strathspey field production following problems on the platform in September and October does not appear to have materialised and Dunbar field output decreased unexpectedly by about 5 kb/d. Production from the Flotta system was expected to hold steady in November, but small declines in six of the system's nine fields resulted in a 20 kb/d decline for the month. The Forties system performed about as anticipated, producing 1020 kb/d versus a forecast of 1025 kb/d. A seasonal increase in Bruce field condensate production to 50 kb/d was about 10 kb/d less than expected. Weather affected production from the offshore-loaded fields, with Statfjord, Fife and Gryphon each falling 5-10 kb/d below expectations. Gryphon and Alba field production increased about 5 kb/d each from October levels due to new wells being brought on, but the full impact appears to have been restricted by weather problems and production was lower from the Fife and Statfjord fields.

The weather problems were considerably more pronounced in December, leading to an estimated 120 kb/d decline in UK production to 2.47 mb/d. Without the weather effects, UK crude oil production had been expected to reach a new high of over 2.8 mb/d. Freezing of flow lines and onshore equipment in Scotland forced the shut-in of nearly 2 million barrels of Forties system production toward the end of the month and technical problems at two of the Forties fields and a mandatory testing of the emergence shutdown systems for the Forties system around the middle of the month resulted in another 1.5 million barrel loss. The decline in the daily average for the month was about 115 kb/d to a level of about 905 kb/d. Output from offshore-loaded platforms was also affected, falling a further 35 kb/d from depressed November levels, while Fulmar and Beryl loadings were down by 15 kb/d and 5 kb/d respectively. Storms also appear to have been responsible for delays in the start-up of three new fields originally scheduled for December, the offshore-loaded Harding field and the Douglas and Lennox Liverpool Bay oil fields. Partially offsetting the December weather-related declines were estimated gains of 20 kb/d each in the Ninian, Flotta and Brent systems, the latter despite the scheduled shutdown of the South Cormorant field for the entire month.

Norwegian production also fell short of expectation in November and December as a result of both stormy weather and some technical problems. Nonetheless, crude oil output including 61 kb/d of condensates from the Sleipner East field counted as crude oil, reached a new record of 3.03 mb/d in November according to data from the Norwegian Petroleum Directorate. However, this was 110 kb/d below expectations due to 95 kb/d lower-than-expected output from the Statfjord/Gullfaks area and 25 kb/d shortfalls from the Oseberg/Troll and Sleipner/Frigg areas, which were only partially offset by better-than-expected performance at the new Heidrun field.

In November, bad weather is thought to account for most of the decrease in the Statfjord/Gullfaks fields, where the Gullfaks field only averaged 460 kb/d versus an expected 500 kb/d. In November, the Gullfaks satellite Tordis field fell 25 kb/d short of expectations and the main Statfjord field and its Snorre satellite each produced 10-15 kb/d less than anticipated in November. Further, Sleipner system production was restrained early in the month by compressor problems at Karstoe's third NGL extraction train. Condensate output from the Sleipner East field was 14 kb/d less than expected and combined crude oil output from the Froy field declined by 5 kb/d versus an expectation of a 5 kb/d increase. For the Oseberg/Troll area, the failure of the Veslefrikk field to return to its 85-90 kb/d full production level as anticipated was responsible for more than half of the shortfall. The Oseberg and Troll West fields were each about 5 kb/d lower than anticipated. Crude oil production from the Heidrun field averaged 87 kb/d in November versus minimal output in October and more than doubled company expectations, with levels reported to have exceeded 100 kb/d by the end of the month.

As with the UK sector, December total liquids production was restrained by the abnormally bad weather, averaging 3.26 mb/d for the month versus the forecast of 3.31 mb/d. With more than 50% of Norway's output still loaded offshore, versus less than 20% in the UK sector, output is more susceptible to the vagaries of the seasonal weather. On-platform storage capabilities typically minimise the impact of early season storms, but may make it more difficult to maintain production during weather-related loading interruptions later in the season due to full storage tanks on the platforms.

The offshore-loaded Statfjord/Gullfaks fields declined by an estimated 10 kb/d versus an expected gain of about 40 kb/d. The Statfjord field averaged less than 415 kb/d for the month, its lowest level of the year, but Gullfaks recovered to over 480 kb/d following the unexpected decrease in November. Also contributing to the shortfall versus expectations was the postponement of the start-up of the Southern Area Yme field which had been expected to contribute 15 kb/d to December output but has been delayed until mid-January. Total Norwegian liquids production was able to advance by an estimated 85 kb/d by virtue of the unexpectedly

sharp production gains at the Heidrun field, which is thought to have averaged 115 kb/d for the month versus 87 kb/d in November. A second and third well were brought into production during the November and the gas-injection system was put into operation the week before Christmas, which is thought to have allowed production to reach 200 kb/d by the end of December. Recoveries of 15-20 kb/d for the Oseberg/Troll crude oil output and Sleipner East condensate production and about 10 kb/d of seasonally-higher NGL production also contributed to the monthly gain.

Oil production in the **Danish** sector declined by 8 kb/d to 182 kb/d in November according to data from the Danish Energy Agency. Output had been expected to hold at the 190 kb/d level throughout 4Q95. Lower output from the Skjold and Gorm fields was responsible for most of the decline, but eight of the nine producing Danish fields declined marginally. **Dutch** offshore production appears to have recovered in November by about 5 kb/d from maintenance-reduced levels in October.

Pacific

Australian crude oil production declined by about 70 kb/d in October to 465 kb/d according to data from the Australian Department of Industry and Energy. Scheduled maintenance to the *Griffen Venture* floating production storage and offloading vessel (FPSO) accounted for about 60 kb/d of the decrease as most other fields were at or near September levels. NGL production decreased to the 55 kb/d level, bringing total oil output to 520 kb/d versus 592 kb/d in September. November oil production is estimated to have exceeded 600 kb/d with the return of Griffen production and the start-up of the Wanaea-Cossack field near the end of the month.

December production was hampered by weather problems and technical difficulties with the new *Cossack Pioneer* FPSO on the Wanaea and Cossack fields. Cyclone Frank in mid-December and Cyclone Barry in early January required the detachment of several vessels from subsea production systems in the Timor Sea off northern Australia for several days each. In the course of moving the *Cossack Pioneer* a mechanical defect in the ship's propulsion system was discovered and it appears that repairs could take more than a month to complete.

OPEC

December OPEC crude oil production is estimated to have exceeded 25.7 mb/d for the first time since April 1980, as increases ranging from 5 to 40 kb/d in eight of the OPEC countries dominated declines of 35 kb/d in the Neutral Zone and 10 kb/d in Qatar. The largest increase was Iran's 40 kb/d, but gains of around 25 kb/d are also thought to have occurred in Venezuela, Nigeria and the UAE. Kuwaiti production is seen as having risen by about 15 kb/d and marginal increases of a combined 15 kb/d were estimated in the other non-Gulf members.

Market attention to the OPEC production levels has been deflected by a number of political factors which had little or no impact on production levels but have played a role in price developments (see Prices section below). The temporary assumption of Royal duties by Saudi Crown Prince Abdullah is not expected to have an impact on Saudi oil policy, but has probably increased perceived market uncertainty. Although oil sanctions against Nigeria appear unlikely, market concerns about availability of critical middle distillate rich Nigerian crudes especially to the US East Coast have combined with cold weather to sharply increase crude prices during the month. The threatened workers' strike in Venezuela has been a less prominent factor and its likelihood has diminished considerably in recent days.

A decline in **Saudi Arabian** production implied from tanker activity in the first week of December to 7.85 mb/d and downward revisions to November data resulted in essentially no change in Saudi production between November and December, with output in both months now seen at about 7.91 mb/d. For the year, Saudi production, including 75 kb/d of production sent to Bahrain averaged 7.94 mb/d, about 40 kb/d above 1994 levels. **Kuwaiti** production appears to have ended the year with a small monthly gain of 15 kb/d to 1.84 mb/d in December, while the resulting annual average was about equal to the 1994 level. **Neutral Zone** output, which declined to 415 kb/d in December due to Khafji field maintenance and year-end production adjustments, is judged to have increased by 35 kb/d for the year as a result of both continued restorations of existing onshore facilities and capacity expansions in the Wafra and Umm Gudair areas.

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Following an apparent reduction and repositioning of inventories outside of **Iran** in November, a larger portion of the expanded Iranian sales volumes appears to have been met by production in December, leading to a gain of about 40 kb/d from the revised November level. High implied production levels in the first week of December also raised the estimate for November which is calculated by averaging the last week of the preceding month and the first week of the following month, in this case from 3.65 mb/d to 3.68 mb/d.

UAE production is estimated to have rebounded partially from November's 40 kb/d decrease, increasing by 25 kb/d to 2175 kb/d. The Lower Zakum fields increased by 20 kb/d, following a decline of nearly 30 kb/d in November, and production from Dubai was temporarily about 5 kb/d higher after four months of declining production. Due to the quality and stability problems in one of the Thamama reservoirs in the Bab area mentioned in last month's *Report*, it is now expected that Bab field NGL production will be 40% lower in 1996 than previously expected.

Preliminary information indicates that **Nigerian** production increased by about 20 kb/d in December to 2.02 mb/d, despite threats of sanctions and pressure from various international groups reacting to the executions in Ogoniland in early November. The production increase appears to have been equally split between the Escravos and Qua Iboe areas. Production from the Bonny and Forcados areas, which account for nearly half of Nigerian crude oil output, is thought to have held at 900 kb/d versus a target level of 930 kb/d and a yearly high of just under 915 kb/d in July. These areas produced almost 975 kb/d in January of 1994, but have experienced a series of technical problems with ageing equipment that continues to limit output. Substantial investment in repairs would appear unlikely in the near future given the political situation. It should be noted that tanker-tracking sources indicate a sharp decline in Nigerian output during the second and third weeks of December to below a 1.65 mb/d implied production level.

Tanker-tracking sources indicate that **Venezuelan** crude oil production increased again in December despite the continued recovery in Mexican production following October's hurricanes. Crude output is estimated to have reached a yearly high of 2.725 mb/d in December, up 25 kb/d from November's level. Tanker-tracking data indicate that **Indonesian** production rose by about 5 kb/d in December despite floods in northern Sumatra that forced the closure of a small oil field. Crude oil output from **Gabon** and **Algeria** is estimated to have increased by a similar amount due to new field production. The 10 kb/d reduction in December **Qatari** production is believed to have been related to maintenance.

Former Soviet Union (FSU)

Production

Russian production is estimated to have declined to 5.96 mb/d in November due to lower output levels from the "new companies", particularly Lukoil and Tyumen Oil Company. Lukoil production fell by about 15 kb/d with the decline concentrated in the Kogalym production association. The Tyumen Oil Company decrease was slightly larger as continuing problems with financing of upstream repair work beset the Nizhnevartovsk production association, which is under pressure from the government to resolve tax arrears problems. Production from nearly all of the other new companies as well as Rosneft was reported to have declined for

the month, but by amount of than 5 kb/d or less. Total production from the former Ministry of Fuels and Energy production associations was nearly 50 kb/d below October levels, but seasonally higher output from Gazprom and increases in Joint Venture production are thought to offset about 35 kb/d of the decline.

Oil production in **Kazakhstan** is reported to have increased in November despite a lack of export pipeline capacity available for Tengiz exports. Declines of a combined 10 kb/d in output from the Mangistau and Uzen areas were more than offset by gains of 5 kb/d from Aktyubinsk and 10 kb/d from the Tengizchevroil joint-venture. Condensate production is also estimated to have increased seasonally.

Exports

FSU exports are estimated to have increased slightly in December to 2.36 mb/d, after a 0.12 kb/d decline in November. December exports were constrained by a reduction in seaborne crude exports to just over 1 mb/d compared with a peak of 1.3 mb/d in May, mainly as a result of weather-restricted Black Sea ports. Druzhba pipeline throughput fell by an estimated 40 kb/d in December probably due to actual competition from the recently-opened Adria pipeline and prospective competition from the Inglostat pipeline, which is being tested before scheduled commercial operations begin in April 1996. Russian crude producers may have also sought more domestic customers in 4Q95, as internal crude prices have risen and transaction conditions have improved somewhat. In addition, reported delays in approval of crude export deals might have affected the exports in both November and December. Storms also again closed the Novorossiisk port for two days early in January and crude exports through the southern leg of the Druzhba Pipeline via the Ukraine to the Czech Republic, Slovakia and Hungary were suspended for about one week early in January due to the recurring dispute over transit fees between Russia and the Ukraine. Russian exports to those countries amounted to about 360 kb/d last year. The export duties for fuel oil, which were raised on 1 December, are the only remaining export duties on oil products and will continue until 1 March 1996 as a way of reducing fuel oil exports during winter to about 80 kb/d, less than half November levels and 86% less than the June 1995 peak.

1994-1995 Net FSU Exports

(million barrels per day)

	2Q94	3Q94	4Q94	1994	1Q95	2Q95	3Q95 ^r	Oct ^r	Nov ^p	Dec ^p	4Q95 ^p
Black Sea Exports [*]	1.22	1.21	1.04	1.04	0.83	1.21	1.09	1.00	†	†	†
Baltic Exports	0.70	0.68	0.49	0.56	0.39	0.70	0.76	0.62	†	†	†
Total Seaborne	1.92	1.89	1.54	1.60	1.22	1.92	1.84	1.62	1.46	1.52	1.53
Druzhba Pipeline ^{**}	0.77	0.85	0.86	0.81	0.86	0.78	0.81	0.88	0.92	0.88	0.90
Total Exports	2.70	2.59	2.39	2.41	2.08	2.69	2.65	2.50	2.38	2.40	2.42
Imports	0.03	0.03	0.03	0.03	0.04	0.04	0.04	0.04	0.04	0.04	0.04
Net FSU Exports	2.67	2.69	2.36	2.39	2.04	2.65	2.62	2.45	2.34	2.36	2.38
NB: Crude Oil	2.14	2.03	1.92	1.91	1.84	1.98	1.97	2.00	1.94	1.89	1.94
Oil Products	0.53	0.66	0.44	0.47	0.21	0.67	0.64	0.45	0.40	0.47	0.44

* Includes a small amount of non-Russian crude oil exports

† Data not available

^r revised

** Crude oil only

^p preliminary

Other Non-OPEC

Production in Latin America, Asia and Africa rose by an estimated 240 kb/d in December with more than 90% of the gain coming from Mexico, where crude oil and NGL production continued to recover from the damage done by the October hurricanes. Nearly 50 kb/d of the Mexican monthly gain was countered by a decline in offshore Brazilian production due to a pipeline rupture. Asian production advanced by an estimated 70 kb/d with gains in offshore China and the impact of a new Malaysian field. African production is believed to have been up slightly, while Other Middle Eastern oil output increased by about 5 kb/d due to a small Syrian increase.

Latin America

Mexican production in November was not as severely impacted by the residual effects of the October hurricane damage as originally thought. According to PEMEX, crude oil production averaged 2556 kb/d in November and NGLs added another 455 kb/d, so that total Mexican oil production again exceeded 3.0 mb/d. Output had been assessed in last month's Report at 100 kb/d less for crude oil but 10 kb/d higher for NGLs than the new PEMEX figures. It is interesting to note that natural gas production also increased sharply, to 3.95 million cubic feet per day (mmcf/d) in November versus 3.48 mmcf/d in October, nearly equal to the high of 3.98 mmcf/d reached in September, but that reported gas demand increased by much less.

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Mexican crude oil exports increased by a relatively small amount in November, up by only about 100 kb/d compared with the 655 kb/d rise in crude oil output, as inventories needed to be rebuilt. Exports were under 1.2 mb/d versus nearly 1.4 mb/d of crude exported in September before the hurricanes. Isthmus exports were reduced by about 70 kb/d while exports of Olmeca and Maya crudes were 50 kb/d and 120 kb/d higher respectively. There were no exports to the Far East during November due to problems with the pipeline to the Pacific, which appears to be the first month-long outage since the pipeline opened at the end of January 1990. Exports to Europe also declined from 120 kb/d in October to 94 kb/d in November, but exports to the US rose by 240 kb/d.

Colombian crude oil production declined to 602 kb/d in November and 565 kb/d in December as the result of sabotage to pipelines serving the Cano Limon and Cusiana-Cupiagua areas. Cano Limon output was restricted to just over 180 kb/d for both months following pipeline sabotage in November, versus 207 kb/d in October and a yearly high of 211 kb/d in June. Cusiana production was more strongly impacted, falling from around 170 kb/d in October and November to 130 kb/d in December. Cusiana production capacity is thought to have reached 190 kb/d by the end of December, but damage to a pipeline segment connecting the field to the Cano Limon-Covenas pipeline was evidently responsible for the shut-in of more than one-third of the field's capacity. Additional progress on financing was made over the last month for a separate 500 kb/d underground pipeline from Cusiana-Cupiagua to the port of Covenas, which is expected to be completed in 1997.

Brazilian crude oil production declined by about 50 kb/d to under 700 kb/d in December due to the rupture of a pipeline serving the 40 kb/d Enchova platform and surrounding fields in the Campos Basin. Production was also reported to have declined by about 10 kb/d in November from record levels reached in October, due to storms offshore. Increases originally expected for **Ecuador** by the end of the 1995, that had envisioned an upgrade of TransAndean pipeline capacity from Ecuador's Upper Amazon deposits, did not materialise. Initial attempts to force companies to finance repairs and expansion of the government-owned line did not succeed and current plans for a smaller "privatised" 120 kb/d parallel pipeline funded by the companies are still uncertain.

Asia

October Indian crude oil production was reported to have declined by about 10 kb/d to 650 kb/d versus an expected level of about 680 kb/d and September production of just under 660 kb/d. However, NGL production is judged to have offset the decline in crude output, rising from 40 kb/d to 50 kb/d in October.

Lower offshore production in November and maintenance at the Liaohe complex reduced November **Chinese** production by 30 kb/d from upwardly revised October numbers. The planned October maintenance reduction at the Shengli field mentioned in last month's *Report* does not appear in revised data which show a new high for China of 3060 kb/d in October. Start-up of the offshore Xijiang 30-2 field in mid-October added about 20 kb/d during the second half of the month, but appears to have been affected by bad weather in November. Total offshore output fell to 205 kb/d in November from over 235 kb/d in October according to data from the

Chinese National Offshore Oil Company. Small gains in the western Turpan-Hami Basin, Huabei and Shengli amounted to only a combined 10 kb/d. Offshore output is expected to have recovered to about 215 kb/d in December, but remained below the October peak because of additional storms. The return of Liaohe from maintenance and higher Tarim Basin production are estimated to have added a combined 30 kb/d to December production, while production from the remaining onshore fields is thought to have about equalled November levels, resulting in a rise of about 45 kb/d to a yearly high of 3.08 mb/d.

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In October, China was a net importer of oil for the eighth consecutive month and there were reductions in both crude and products imports. Diesel oil and fuel oil continue to be the major contributors of year-on-year increases in the volume of products imports. China is not only likely to continue to be a net importer of oil products in 1996 but also growth in consumption is expected to far surpass crude runs even with planned refinery capacity additions. In particular, it is anticipated that China will become a significant net importer of gasoline in 1996, after having been a net exporter since 1994.

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As expected **Vietnam** has revised tax terms for the Dai Hung oil field, which should allow the operator to continue producing from a FPSO on the field. However, a similar disagreement over royalty rates at **Papua New Guinea's** (PNG) Kutubu field is now threatening the 100 kb/d production from PNG's only currently producing oil field.

Africa and Other Middle East

Three small new offshore fields are now expected to contribute to 1996 African production, adding to the previously expected gains from Congo's large N'Kossa project and the smaller Equatorial Guinea and Ivory Coast offshore developments. **South Africa's** first crude oil field around the E-BT discovery, offshore from Mossel Bay's gas/condensate-based synthetic oil products project, is due to start up in March 1996 with production of 12 kb/d. Later in the year, it is expected that recent finds in the Haute Mer area offshore **Congo** could be tied into the N'Kossa platform, adding a similar amount of production. The offshore Chela prospect may help to stabilise declining output from **Zaire**.

Omani production is estimated to have held steady at about 855 kb/d in December as better than expected market conditions evidently led to a postponement of scheduled maintenance. Production from **Syria** and **Yemen**, at 620 kb/d and 375 kb/d respectively, is believed to have been relatively stable in the 4Q95, but development of the **Yemen's** East Shabwa Block field could add 10-15 kb/d to 1996 production when negotiations between companies over export pipeline tariffs are settled. Estimates of Yemeni production vary considerably, between 340 kb/d and 390 kb/d depending on the amount of condensate included in the crude oil data. Since much of the condensate has recently been spiked back into the crude oil, numbers in this Report have tended to be on the high side of the range, while NGLs are estimated at less than 10 kb/d.

"Truth-in-Forecasting"

Including the preliminary data for December, non-OPEC supply is estimated to have averaged 42.2 mb/d for 1995, which is 0.35 mb/d higher than had been estimated one year ago. Examination of the composition of the differences between the two forecasts reveals cancelling adjustments for OECD and the other non-FSU producers, but the dominant direction of the revisions has been upward. Expectations for OECD and FSU production appear to have turned out to be too pessimistic, by 0.23 mb/d and 0.37 mb/d respectively, while a few unforeseen events in the other non-OPEC areas, primarily in 2Q95 and 4Q95, required a 0.25 mb/d reduction.

Comparison of Forecasts of 1995 Non-OPEC Supply

(beginning 1996 versus beginning 1995 - mb/d)

	1Q95	2Q95	3Q95	4Q95	1995
OECD	-0.14	0.17	0.48	0.42	0.23
FSU	0.46	0.45	0.31	0.24	0.37
Other Non-OPEC	-0.16	-0.38	-0.15	-0.48	-0.25
Total Non-OPEC	0.16	0.24	0.77	0.23	0.35

FSU production exceeded initial expectations throughout the year, but the larger revisions were to the first two quarters. More accurate accounting for Russian joint-venture output and progress on the non-payments problems in the Russian upstream that had strongly impacted 1994 production each contributed to the better than anticipated performance. By 4Q95, the estimates for Russia were closer to original expectations. Production from the non-Russian republics was roughly in line with expectations, but data for the last three months of the year are preliminary or estimated.

The OECD upward revisions occurred in the US and Canada, where higher-than-expected output resulted from new Gulf of Mexico fields particularly the Auger field and a greater-than-anticipated effect on Canadian exports through expanded crude oil pipeline capacity from Alberta to the US Midwest. Revisions to North Sea estimates were relatively small as downward adjustments in the first half of the year were more than offset by increases in the second half, partially due to altered maintenance schedules and partly due to early start-up of some platforms in both the Norwegian and UK sectors versus expectations at the beginning of last year. A significant upward revision to 4Q95 North Sea estimates was reversed in this month's Report due to weather effects and some short-term technical difficulties.

Comparison of Forecasts of 1995 OECD Supply

(beginning 1996 versus beginning 1995 - mb/d)

	1Q95	2Q95	3Q95	4Q95	1995
United States	0.09	0.17	0.08	0.07	0.10
Canada	0.02	0.10	0.13	0.21	0.11
UK Offshore	0.03	-0.02	0.12	0.01	0.04
Norway	-0.15	-0.07	0.15	0.14	0.02
Other Europe	-0.03	-0.05	-0.04	-0.03	-0.04
Other North Sea	0.15	0.15	0.15	0.14	0.02
Australia	-0.10	0.04	0.04	0.02	0.00
Other OECD Pacific	0.00	0.00	0.00	0.00	0.00
Total OECD	-0.14	0.17	0.48	0.42	0.23

The downward revisions in the other non-OPEC production estimates for 1995 were centred in Latin America was the Brazilian workers' strike in May significantly lowered second quarter production and hurricane outages in Mexico in October had an even bigger impact on 4Q95 estimates. Pipeline bombings in Colombia and technical problems offshore Brazil in 4Q95 also contributed to the shortfall. The downward revisions Asian supply resulted from reductions in China and India which outpaced an upward adjustment for Malaysia. For Africa, higher than expected offshore Angolan production began during 1Q95 and exceeded 50 kb/d for the last three quarters.

Comparison of Forecasts of 1995 Other Non-OPEC Supply

(beginning 1996 versus beginning 1995 - mb/d)

	1Q95	2Q95	3Q95	4Q95	1995
Latin America*	-0.12	-0.31	-0.02	-0.48	-0.21
Asia	-0.06	-0.09	-0.03	-0.01	-0.04
Africa	0.04	0.05	0.03	0.04	0.04
Other Middle East	-0.01	-0.01	-0.01	0.01	0.00
Central & East Europe	-0.01	-0.02	-0.01	-0.01	-0.01
Total Developing	-0.16	-0.38	-0.20	-0.43	-0.25

* Including Mexico

OECD STOCKS

Industry Stock Changes in November

Preliminary estimates suggest that total stock levels decreased by only 0.3 mb/d in November with aggregate stocks in both the North American and the Pacific regions essentially unchanged. As shown in the table below, crude oil stocks continued to increase with the main growth occurring in North America, consistent with the recovery of Mexican exports and higher local production. Total distillate stocks continued to decline slowly, with decreases in Europe and the Pacific more than offsetting an increase in North America.

	North America	Europe	Pacific	Total
Crude Oil	0.4	0.0	0.1	0.5
Gasoline	0.0	0.1	0.0	0.1
Distillates	0.2	-0.3	-0.1	-0.2
Fuel Oil	0.0	-0.1	0.0	-0.1
Other Oil*	-0.6	0.0	0.0	-0.7
Total Oil	0.0	-0.3	0.0	-0.3

* includes other products, feedstocks, NGLs and other hydrocarbons

Preliminary Stock Levels at the End of November

Total stocks at the end of November were 23 mb and 39 mb below comparative levels in 1993 and 1994 but were 46 mb above 1992 levels. In terms of days of forward demand they were two-and-a-half days lower than in 1993 and 1994 (see graph on page 27). There continued to be a marked difference between total stock levels in North America and those in the other two regions, with higher stocks than in November 1994 in both Europe and the Pacific but 68 mb lower stocks in North America. With total crude stocks continuing to build and product stocks continuing to fall, total crude stocks were at the highest end of November level since before 1991 and the shortfall of stocks was concentrated on products. Crude stocks were relatively low in the US but were particularly high in Japan, Norway and Turkey, the latter reflecting an increase for emergency purposes. Total distillate stocks were 16 mb higher than in November 1993 but 35 mb below the very high level reached in November 1994 when stocks were increased by the effects of mild weather.

Regional Stock Developments in November

In **North America**, crude oil stocks continued to increase, rising by 0.4 mb/d, with higher crude imports more than offsetting higher refinery throughputs. In spite of this increase, stocks continued to be relatively low compared with corresponding data in the previous two years (see Table 5). With higher gasoline demand offset by higher production, gasoline stocks were essentially unchanged and remained at historically low levels. Following the small, contra-seasonal decrease in distillate stocks in October, stocks increased by 0.2 mb/d, reflecting both higher production and imports. Nonetheless, distillate stocks continued to be relatively low, although the difference versus earlier years was less than in the case of gasoline. Fuel oil stocks remained at historically low levels, consistent with lower demand.

According to the US DOE weekly statistics, the cold weather contributed to a 1.2 mb/d decrease in US industry stocks in the first four weeks in December. Crude, distillates and unfinished/other oils are estimated to have decreased by 0.5 mb/d, 0.3 mb/d and 0.6 mb/d respectively while gasoline stocks increased by 0.2 mb/d and fuel oil stocks were unchanged. On 29 December stocks of crude oil, distillates and fuel oil were all more than 10% below levels of a year earlier. The majority of the decrease in distillate stocks continued to be in the critical East Coast region (PADD I).

In **Europe**, total crude stocks were essentially unchanged. The 18 mb increase in stocks compared with year earlier levels reflects the particularly high stocks in Turkey and Norway mentioned above. Gasoline stocks increased by 0.1 mb/d and ended the month close to the average level of the previous three Novembers. Distillate stocks decreased, consistent with strong demand and exports to the Far East. Stocks at the end of the month were below the high level reached in November 1994, notably in the Netherlands and Germany, but above the corresponding level in at least the previous three years. In spite of generally weak demand, fuel oil stock levels fell slightly but ended the month at average levels.

In the **Pacific** region, crude oil stocks increased slightly with higher imports more than offsetting the effect of higher refinery throughputs and deliveries to power plants. At the end of the month, stocks were 14% higher than a year earlier. It should also be noted that government-controlled stocks in Japan continued to rise slowly and at the end of November were 14 mb higher than at the end of July. Gasoline stocks remained

at historically high levels. The seasonal stockbuild in distillate came to an end in November with stocks falling by 0.1 mb/d as a sharp increase in demand exceeded the increase in production and imports. As shown in the graph on page 25, total distillate stocks continued to track below earlier year levels with the main difference being in kerosene.

OECD Industry End Month Stocks
(million barrels)

Gasoline

Middle Distillates

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OECD Industry End Month Stocks
(million barrels)**Crude Oil****Fuel Oil**

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OECD End Month Industry Stocks**Days⁽¹⁾****Million barrels**

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1 Days of total and product stocks are based on demand for the next three months. Days of crude oil stocks are based on refinery throughputs for the next month.

OIL PRICES AND REFINERY ACTIVITY

Summary

- Crude prices increased appreciably during December, mainly due to bullish fundamentals and supportive psychological factors. The early onset of colder-than-normal weather on both sides of the Atlantic and in northern Asia caused distillate and fuel oil prices to increase sharply, leading to strong refinery crude demand. This coincided with lower than anticipated increases in crude availability from the North Sea, Colombia, Australia and Russia, resulting in tightening crude supplies. WTI passed the \$20/bbl mark in early January. Psychological factors such as developments in Saudi Arabia, Nigeria and Venezuela supported crude prices further. Sour crude prices in the Mediterranean were in particular supported by strongly rising fuel oil prices and by tight Urals availability, leading to Urals prices surpassing those of Brent in late December.
- Spot prices of middle distillates and fuel oils increased sharply in all markets, supported by a combination of the early, sustained cold weather, in particular on both sides of the Atlantic, low product stocks and continuing refinery problems, in particular in Asia. Singapore spot kerosene prices increased by more than \$6.50/bbl during the month and US fuel oil prices for all sulphur grades increased by more than \$4.00/bbl or 25%. Gasoline prices decreased in all markets, with the sharpest decline in Europe. Towards the end of December regular gasoline in Rotterdam fell to parity with crude.
- The average Rotterdam cracking margin decreased with the effect of the weakness in gasoline prices more than offsetting the strength of other product prices. The hydroskimming margin increased only slightly in Rotterdam, but rose sharply in Singapore due to the exceptional rise in kerosene and gasoil prices. Unlike in Rotterdam, average US cracking margins increased slightly, reflecting the relative strength in gasoline prices.
- The aggregate refinery throughputs in OECD countries increased by 1.2 mb/d to 32.6 mb/d in November consistent with the end of the autumn turnaround season, with the steepest increase occurring in the US, followed by Europe and Japan. Consistent with strong demand for distillates and fuel oil, throughput levels are expected to have increased further in December in all three regions.

CIF Crude Import Costs

Table 8 shows that the preliminary weighted average CIF cost for crude imported into IEA countries reported for October was \$16.42/bbl, \$0.19/bbl lower than in September. The weighted average CIF prices are estimated to have been \$16.50/bbl in November and \$17.60/bbl in December.

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Spot Crude Oil Prices

Benchmark crude oil prices continued their upwards trend during December, rising appreciably in the second half of the month and in early January. A combination of bullish fundamentals contributed to the rise in crude prices by roughly \$2.00/bbl during December with WTI prices passing the \$20.00/bbl mark in the first week of January. The onset of colder-than-normal weather early in the winter season on both sides of the Atlantic

and in northern Asia led to higher oil demand which, coupled with low oil stocks, particularly in the US and Asia, led to sharp increases in fuel oil and gas oil prices and strong US and European refinery crude demand. This coincided with lower than anticipated increases in crude availability primarily from the North Sea, Colombia and Australia and reductions in Russian crude supplies, as discussed in the supply section above. Prices were further supported by psychological factors such as concerns about the state of health of King Fahd, the threat of strike actions in Venezuela and perceptions of an increased potential for an oil boycott against Nigeria.

Brent prices increased sharply in the last week of December and in the first week of January in part due to a weather-related supply tightness for spot cargoes and high refinery runs. Dubai prices increased strongly in the first half of December and reduced the discount to dated Brent to less than \$0.50/bbl. The narrowing of the Brent/Dubai differential resulted in an arbitrage window opening towards mid-December for the movement of Brent-related west African crude into the Far East and a number of cargoes were reported to have been traded, providing additional support for crude prices in the Atlantic basin. However, Dubai prices declined briefly in late December, reportedly due to a number of February cargoes being unplaced, in part related to the fact that no Dubai crude was nominated in the Indian Oil Corporation's latest crude tender.

WTI was supported in late December and in early January by higher product prices, mainly as a result of temporary throughput cuts in US Gulf refineries following reduced Mexican exports due to crude oil loading disruptions, operational problems at some US refineries and uncertainty arising from the increasing prospects of a shutdown of BP's 180 kb/d Marcus Hook refinery at the end of January (see Refining Industry Developments section below). Prices for local Far Eastern, middle-distillate-rich crudes were in particular supported by the supply tightness in middle distillates and the lower than expected increase of crude production from Australia.

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Front month Brent prices remained in backwardation throughout the month. The level of backwardation increased sharply from an inter-month spread of some \$0.15/bbl at the beginning of December to \$0.95/bbl at the beginning of January, mainly reflecting the tight North Sea spot crude availability. Dated Brent was traded at a premium to 15-Day Brent for almost all of December, the premium increasing towards the end of the month in line with tight crude availability and the effect of short term trading strategies. With the exception of three trading days prior to the expiry of the WTI January contract on NYMEX, WTI remained in steep backwardation in December as shown in the graph above, reflecting the tight crude stock situation in the US and concerns about the combination of the anticipated seasonal crude demand decline later in the first quarter with expected increases in crude availability.

The WTI/Brent differential continued to be at too low a level to open the transatlantic arbitrage possibility for North Sea crude movements to the US, as shown in the graph above. The closed transatlantic arbitrage window supported prices for sweet US and, in particular, short-haul South American crudes.

December Urals liftings out of the main Black Sea export terminal Novorossiisk were reduced sharply by stormy weather, keeping the port shut for more than half the month. Shipping sources reportedly estimated that Novorossiisk loadings having decreased considerably from November figures, offset only by modest

increases in loading at the other two Black Sea ports of Tuapse and Odessa. The resulting tightening of Urals availability in the Mediterranean combined with firm demand for sour crude due to strong fuel oil prices, caused a steep rise in Urals prices as shown in the graph on page 31. Towards the end of December and in early January Urals prices surpassed those of dated Brent and Urals was traded at a premium of \$0.15/bbl to Brent, close to the record highs of early 1995, with Brent itself near a six month high. The Brent/Iranian Heavy differential was also supported by the sour crude tightness in the Mediterranean, decreasing steadily during December from \$1.25/bbl at the beginning of the month to \$0.75/bbl at the end of December. The overhang of Iranian crude that was seen in Europe in the autumn has reportedly disappeared, contributing to the overall strengthening of sour crude prices.

Spot Crude Oil Prices and Differentials

(Monthly and Weekly Averages, \$/bbl)

	Oct	Nov	Dec	Change	Week ending:					
					24 Nov	01 Dec	08 Dec	15 Dec	22 Dec	05 Jan
Brent Dated	16.12	16.82	17.80	0.98	16.69	17.26	17.57	17.78	18.16	19.33
Dubai	14.86	15.68	16.95	1.28	15.61	16.14	16.80	17.24	16.92	17.53
WTI	17.44	18.00	18.92	0.92	18.00	18.33	18.73	19.00	19.12	19.98
Brent over Dubai	1.26	1.15	0.85		1.08	1.12	0.78	0.54	1.23	1.80
WTI over Brent	1.32	1.17	1.12		1.30	1.07	1.16	1.22	0.96	0.65
Brent 1st month minus 2nd month	0.18	0.22	0.38		0.16	0.17	0.15	0.42	0.62	0.95

Spot Product Prices in December

In contrast to the sharp increases in crude, middle distillate and fuel oil prices, **gasoline** prices decreased appreciably in all three regions during the month with the steepest decline occurring in Europe.

European gasoline prices, which were supported in late October and early November by strong demand into the UK ahead of tax increases, decreased throughout December back to the early October, end-of-driving-season levels. Prices remained under pressure from weak regional demand, aggravated by low water levels on the Rhine and the resulting sharp increase in freight rates to customers in the Rhine valley. The opening of the transatlantic arbitrage possibility as shown in the graph on page 31, relieved regional gasoline oversupply and prevented prices from decreasing further. Transatlantic shipments were restricted by tight shipping availability but a growing number of cargoes were reported to have been traded during the month from Northwest Europe and the Mediterranean to the US east coast and to Canada. The weakness in gasoline prices caused the gasoline/crude differential to decrease appreciably and regular gasoline grades fell below dated Brent crude prices in late December and in early January, as shown in the graph on page 31.

Gasoline prices in Singapore decreased during December by about \$2.00/bbl, mainly due to weak regional demand and the arrival of arbitrage cargoes from the Mediterranean. Spot US gasoline prices decreased only slightly from the level they rose to in late November. They continued to be supported by a combination of historically low gasoline stock levels, prompt spot demand, problems with upgrading units contributing to gasoline production at several US refineries and distribution problems leading to supply tightness on the Atlantic coast. Monthly average US gasoline prices increased but decreased relative to those of crude.

MTBE prices which increased appreciably in the US and in Europe and also, to a lesser extent, in Singapore during November following the outage of three US MTBE production plants, continued to increase in December. In the US and in Singapore prices increased modestly compared to the rise in November but continued to increase sharply in Europe. European MTBE prices increased from a low of 1.3 times premium gasoline price in mid-November to 1.8 times premium gasoline price at the end of December.

In spite of the appreciable decrease in gasoline prices, average monthly **naphtha** prices increased in Europe and in Singapore, mainly in line with the rise in crude prices. The resulting decrease in the gasoline/naphtha differential, as shown in the graph on page 31, caused the reforming margin to turn negative towards the end of December. The naphtha/crude differentials barely exceeded a very narrow band around crude parity. European spot prices remained under pressure from ample availability and limited demand, and were supported in the Far East by the return of ethylene crackers from turnarounds and the seasonal maximisation of middle distillate production in refineries.

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Average monthly **kerosene** prices increased appreciably in all major markets, with kerosene prices rising by more than those of crude. Singapore kerosene prices continued to increase in the first three weeks of December and rose even more rapidly in its last week and the first week of January. Spot kerosene prices rose by some \$6.50/bbl during the month, reaching the highest value since the Gulf crisis (see graph on page 31). The kerosene/gasoil differential increased to more than \$6.00/bbl towards the end of December. Prices were supported by strong seasonal demand from Japan and Korea with the onset of sustained colder-than-normal weather and tight supply, resulting from several refinery outages in November in Indonesia and India and the additional outage of a 120 kb/d crude distillation train at Singapore's SRC refinery in the last week of December. Domestic Japanese supplies were particularly tight due to the reduction in refinery runs since the end of October. The announcement of a number of planned refinery maintenance shutdowns in Arabian Gulf refineries during the first quarter of the year provided further support to Singapore spot kerosene prices.

European and US spot kerosene prices increased by more than \$3.00/bbl during December, due to strong spot demand and tight supply, mainly due to the additional seasonal kerosene demand for gasoil and diesel blending, in particular in Europe, where the sharp decrease in availability of Russian gasoil with traditionally good cold properties led to an increased use of kerosene as gasoil blend stock. The strong increase in Far Eastern kerosene prices caused the arbitrage possibility to remain open for kerosene shipments from the Mediterranean and the US Gulf coast to the Far East and a number of cargoes were reported to have been traded, supporting prices in these markets and in Northwest Europe.

Spot **gasoil** prices increased by roughly \$3.00/bbl during the month in all three markets, mainly due to strong demand from the early onset of sustained colder-than-normal weather on both sides of the Atlantic and in North Asia, combined with supply disruptions in Asia and Europe and low gasoil stocks in the US.

Singapore gasoil prices were supported by firm regional demand, in particular from India and China and continuing tight spot availability due to the persisting, accident-related cutback in refinery throughputs in India and Indonesia and the additional outage at Singapore's SRC refinery in late December. The arbitrage possibility for gasoil movements from the Mediterranean and from the US to the Far East remained open and a number of cargoes were reported to have been traded. The gasoil demand for arbitrage cargoes in Europe and in the US lent additional support to European and US gasoil prices.

Spot gasoil prices in the US increased throughout the month, mainly as a result of continuing low US gasoil stocks, firm gasoil demand due to a cold spell in the US Northeast and Midwest and increased export opportunities to the Far East from the US Gulf. The strong gasoil demand in the Northeast caused the Colonial pipeline to reach capacity and subsequent prorationing of distillate shipments led to the gasoil price spread between New York Harbour and the US Gulf coast widening to more than \$2,50/bbl in the third week of December. This differential allowed the movement of gasoil cargoes from the US Gulf to the US northeast, taking advantage of the shorter waterborne journey of 7 days compared to the 19 day travelling time for pipeline batches.

European gasoil prices were mainly supported by a combination of strong spot demand, in particular from France and Germany due to sustained unseasonably cold weather, decreasing Russian gasoil supplies due to rising domestic prices and supply difficulties in Germany due to inland refinery problems.

Average **LSFO** prices increased substantially in all markets, with the steepest average increase in the US, followed by Europe and Singapore. Spot US LSFO prices increased by more than \$4.00/bbl or 25% during December, reaching a five year high in early January and surpassing the price of WTI, which increased by only 7.5% during the same period. This exceptional increase in LSFO prices resulted from a 60% increase in US natural gas prices during the first three weeks of December to levels far above fuel oil equivalence, causing dual fired power stations to switch from natural gas to fuel oil at a time when cold weather increased utility demand. Additional spot fuel oil demand emerged from the interruption of gas supplies to several utilities in favour of customers with non-interruptible supply contracts, such as residential users. The resulting supply tightness caused prices to rise to levels high enough to attract arbitrage cargoes from Europe.

In Northwest Europe, LSFO prices increased by \$3.50/bbl during the month, supported by sustained cold weather and firm fuel oil demand for electricity generation in Italy and Benelux to replace French nuclear power production lost due to public sector strikes. LSFO prices were also supported by the opening of the transatlantic arbitrage possibility for LSFO. In late December, European LSFO prices surpassed those of dated Brent crude. Average **LSWR** prices in Singapore increased by slightly more than those of crude, mainly supported by continuing weather-related firm demand from Japan, which has lately experienced temporary shutdowns of nuclear power plants.

Monthly average **HSFO** prices increased by roughly \$1.90/bbl in the Mediterranean, Singapore and the US and increased by more than \$2.50 in Northwest Europe. The steep rise of HSFO prices in Europe in early December was mainly caused by the sharp decrease in Russian fuel oil exports, strong demand from Portugal and Spain where a drought has caused an electricity shortfall, demand caused by reduced French nuclear output due to public sector strikes and increased demand by Serbia from Romania due to the UN boycott on Serbia having been rescinded. The cold weather and rising LSFO prices provided additional support to HSFO prices.

US HSFO prices increased by about \$4.00/bbl or some 25% during December, mainly due to the cold snap and the increased fuel oil demand from utilities switching away from natural gas. Spot HSFO prices in Singapore were supported by tightening supply in Asia due to a combination of strong fuel oil demand from India and China, firm regional Bunker fuel demand and the rise in unplanned regional refinery outages. The maximisation of light, sweet crude processing in Korean refineries in order to maximise profitable middle distillate production at the expense of HSFO production and the start up of Honam's new 70 kb/d fluid catalytic cracker in Korea also contributed to the tightness in spot HSFO availability.

The premium for Russian atmospheric residue (**E4**) over HSFO remained almost unchanged from the high November level, averaging \$1.25/bbl, consistent with limited Russian supplies and continuing low European hydroskimming margins.

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
Oct	18.68	20.50	20.33	19.90	20.51	20.45	14.38	14.67	14.94
Nov	20.22	21.17	22.26	20.77	21.75	21.92	14.80	15.63	15.29
Dec	18.52	22.19	21.83	22.45	23.98	23.86	16.99	18.42	16.68
Change over month	-1.70	1.03	-0.43	1.68	2.23	1.94	2.19	2.79	1.40
Week ending:									
24 Nov	20.17	21.98	22.80	20.90	22.05	22.40	14.79	16.26	15.35
01 Dec	19.72	22.97	22.79	21.01	22.18	22.94	14.92	16.38	15.37
08 Dec	18.77	22.50	22.57	21.88	23.12	23.43	16.26	17.14	15.72
15 Dec	18.37	22.09	21.76	22.70	24.14	23.91	17.26	18.50	16.94
22 Dec	18.29	21.86	20.98	23.05	25.03	24.49	17.80	20.04	17.64
05 Jan	18.85	22.79	21.14	23.85	25.40	26.26	18.80	21.84	18.93

* Gasolines are unleaded conventional regular in Rotterdam and New York Harbour. Singapore grade was changed from leaded regular to unleaded 95 as of 2 February 1995. Low Sulphur Residual Fuel Oils are 1.0% LSFO in Rotterdam and New York Harbour and low sulphur waxy residue in Singapore.

Product Specifications

Distribution of leaded gasoline in Thailand ceased by the end of December 1995.

End-User Product Prices

In most of the countries shown in Table 9, mid-month end-user prices for gasoline remained almost unchanged reflecting weak spot gasoline prices, with the notable exception of Canada and the UK. In the UK prices for all products shown in Table 9 increased appreciably when the excise duty was raised by roughly nine per cent on 28 November for all main oil products. Diesel prices increased slightly, in part following rising spot gasoil prices, with the exception of Canada, where diesel prices decreased slightly.

Domestic heating oil prices increased sharply in Germany, reflecting pockets of tight supply due to refinery problems and rising distribution costs. Freight rates for barge transports on the Rhine from Rotterdam to German and Swiss ports increased to the highest level in over four years in mid-December. Cold-weather induced increases in German inland middle-distillate demand coincided with low Rhine water levels, causing a decrease in the volume which barges were able to load, resulting in freight rates increasing almost threefold from normal levels. Heating oil prices also increased, though to a lesser extent, in France, where the knock-on effects of widespread disruptions caused by strikes in the public sector locally exerted upward pressure on prices. Fuel oil prices for industry increased in all European countries, supported by sharp increases in spot fuel oil prices. In France, fuel oil prices increased appreciably, in part due to the effects of the public sector strike.

Italy announced that motor fuel taxes will be increased in 1996 in order to increase state revenues. Italy, which had the highest gasoline fuel taxes in Europe a few years ago, now ranks third behind France and Germany.

Refining Margins

In spite of the appreciable increase in distillate and fuel oil prices relative to those of crude, average Rotterdam cracking margins decreased in December, largely due to the weakness in gasoline prices, which dropped near to parity with Brent towards the end of the month. The average Rotterdam hydroskimming margin increased slightly, in line with the gains in distillate and fuel oil prices but was also affected by the weakness in gasoline prices, which offset to a large extent the effect of these gains.

Average cracking margins in the US increased slightly in line with the gains in middle distillate and fuel oil prices. In contrast to Rotterdam, US margins were supported by the relative strength of US gasoline prices. The Dubai hydroskimming margin in Singapore remained within the narrow band at the level it rose to in October for the first three weeks of December and increased significantly thereafter, reflecting soaring kerosene and gasoil prices in the last week of the month and in early January. The hydroskimming margin reached more than \$3.20 in early January, a level not seen for more than two and a half years.

Refining Margins in Major Refining Centres

(Monthly and Weekly Averages, \$/bbl)

	Oct	Nov	Dec	Change	Week ending:					
					24 Nov	01 Dec	08 Dec	15 Dec	22 Dec	05 Jan
NW Europe										
Brent (Hydroskimming)	-0.13	-0.05	0.03	0.08	0.05	-0.60	-0.28	0.16	0.12	-0.28
Brent (Cracking)	1.39	1.65	1.43	-0.22	1.77	1.11	1.22	1.54	1.41	0.96
US Gulf Coast										
Brent (Cracking)	0.41	0.25	0.40	0.14	0.74	0.35	0.30	0.58	0.43	0.48
WTI (Cracking)	0.07	0.08	0.23	0.15	0.28	0.13	0.05	0.31	0.39	0.82
ANS (Cracking)	0.75	0.66	0.92	0.27	1.04	0.82	0.68	1.03	1.13	1.16
Singapore										
Dubai (Hydroskimming)	0.77	0.96	1.54	0.58	1.02	0.87	0.73	1.15	2.10	3.13

Refinery Crude Throughputs

The aggregate refinery throughputs for November in OECD countries increased by 1.2 mb/d to 32.6 mb/d from the aggregate October level, with the steepest increase occurring in the US followed by increases in Japan and Europe. Preliminary data suggest that throughput levels remained almost unchanged in Canada.

Total crude throughputs to distillation units in Europe increased in November by 0.35 mb/d from an October level of 12.0 mb/d, in line with refineries returning from turnaround season and profitable, rising refining margins during the month. Total throughputs in Europe were 0.3 mb/d or 2.4% lower than a year earlier. The largest increases in throughput occurred in Norway and Austria, the largest decreases in Italy and Germany.

Consistent with refineries returning from late turnarounds in October, crude throughputs in the US increased in November by 0.45 mb/d to 14.1 mb/d. This was 0.8% or 0.1 mb/d higher than a year earlier, consistent with firm US product demand and low stocks.

Japanese crude throughputs increased by 0.4 mb/d to 4.3 mb/d in November, with refineries returning from seasonal turnarounds. Throughputs were 3.4% lower than a year earlier, reflecting the throughput cut introduced by Japanese refiners in October.

In December, consistent with the firm demand for middle distillates and fuel oil, refinery throughputs are expected to rise in all three regions. Preliminary indications suggest an increase of about 0.3 mb/d in throughput levels in Europe. Weekly US statistics suggest that December throughput levels increased by about 0.3 mb/d. According to industry sources, major Japanese refiners reportedly planned up to early December to maintain the throughput cuts, which were introduced in October during the first quarter of 1996. However, the surge in Asian kerosene and fuel oil prices during December resulting in strongly rising refinery margins combined with persisting colder-than-normal weather in Northern Asia and low Japanese middle distillate stocks, has caused refiners in Japan to increase throughput to normal levels in December. Japanese crude throughputs are believed to have increased by about 0.2 mb/d.

Refinery Crude Throughput in OECD Countries

	million barrels per day					% change from previous year		
	July	Aug	Sept	Oct	Nov*	Jan-Nov 1995*	Nov	Jan-Nov 1995
OECD Europe	12.17	12.52	12.36	12.04	12.39	12.14	-2.4	-0.6
France	1.63	1.65	1.63	1.55	1.64	1.58	0.5	2.0
Germany	2.11	2.19	2.23	2.03	2.01	2.10	-10.9	-4.2
Italy	1.54	1.59	1.62	1.65	1.58	1.58	-4.5	-1.3
Netherlands	1.19	1.15	1.00	1.17	1.18	1.13	3.6	4.8
UK	1.56	1.68	1.81	1.82	1.89	1.69	5.0	0.5
US	14.36	14.3	14.47	13.63	14.08	14.05	0.8	1.4
Canada	1.34	1.40	1.37	1.33	1.33	1.32	3.7	0.9
Japan	3.86	4.18	4.07	3.9	4.26	4.15	-3.4	0.5
Australia/New Zealand	0.56	0.59	0.56	0.49	0.55	0.54	1.1	-6.0
OECD Total	32.29	33.00	32.82	31.39	32.61	1.32	-0.7	0.9

* estimated

Refining Industry Developments

In addition to the fire-related outage of a 120 kb/d crude distillation train at Singapore's SRC refinery on 27 December, which was expected to be out of operation for some 7 days, reports suggest that the throughput at the two Indian refineries affected by problems in November will not regain normal levels until February and that Indonesia's Cilacap refinery is likely to operate at reduced throughput until May.

A new 340 km long crude oil pipeline, linking the Czech Kralupy and Litvinov refineries to the Transalpine Trieste-Ingolstadt (TAL) pipeline at Ingolstadt in Germany has been completed in just nine months at a cost of some \$490 mn. The first oil for test runs was transported in early December, ending the total dependence of Czech refineries on Russian crude oil supplies via the Druzhba pipeline. The new pipeline is expected to operate commercially by April. For 1996, planned supplies on the Druzhba pipeline to the two Czech refineries have reportedly been reduced from 140 kb/d to 100 kb/d, with the remainder being supplied via the TAL system. The pipeline has a capacity of 200 kb/d.

A number of refinery problems in German inland refineries in December caused a tightening in spot gasoil availability, supporting middle distillate spot prices in Northwest Europe. A 40 kb/d catcracking unit at Schwedt, Germany's largest refinery, was out of operation for more than three weeks following technical problems. There was an unscheduled shutdown at a 24 kb/d catcracker at the Vohburg refinery for about one week.

BP's 180 kb/d Marcus Hook, Pennsylvania refinery, which is in the process of being sold to Tosco Corporation is likely to be shut down by the end of January, since no agreement between Tosco and the Chemical and Atomic worker union could be agreed prior to a year-end deadline. BP reportedly required an agreement to be in place in order for its deal with Tosco to close by the year-end target date. Tosco announced plans to cut throughput at the refinery by about 20% and reduce staff by some 25% once it takes over the facility from BP. Uncertainty on the future product supply situation from this refinery helped to support US east coast gasoline prices towards the end of December.

Metro Oil Corporation, the Greek-owned bunker trader, announced the planned start up of its new 35 kb/d refinery in Fujairah (UAE) in December. Metro, which reportedly accounts for around 40% of Fujairah bunker trade, will run heavy crude in the refinery to maximise fuel oil output. All production is to be sold by term contracts.

The Czech Republic is reportedly considering leasing spare crude storage capacity in the US Strategic Petroleum Reserve (SPR), in order to meet the inventory requirement for joining the IEA. The US SPR has more than 80 million barrels of spare capacity that it is prepared to lease to other countries.

Rafineria Gdansk SA, Poland's second largest refinery, has reportedly entered a term agreement with Iranian state NIOC for the purchase of up to 30 kb/d of Iranian Light crude in 1996. This satisfies half the refinery's crude requirement of some 60 kb/d.

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Table 1
WORLD OIL SUPPLY AND DEMAND
(million barrels per day)

	1992	1993	1Q94	2Q94	3Q94	4Q94	1994	1Q95	2Q95	3Q95	4Q95	1995	1Q96	2Q96	3Q96	4Q96	1996
DEMAND																	
OECD																	
North America	19.0	19.2	19.9	19.4	19.8	19.7	19.7	19.6	19.5	19.8	20.3	19.8	20.1	19.8	20.2	20.3	20.1
Europe	13.6	13.6	13.7	13.3	13.5	14.0	13.6	14.0	13.6	13.7	14.4	13.9	14.1	13.7	13.9	14.5	14.1
Pacific	6.3	6.3	7.1	6.0	6.4	6.9	6.6	7.3	6.2	6.3	6.9	6.7	7.4	6.3	6.4	6.9	6.7
TOTAL OECD	38.9	39.1	40.7	38.7	39.7	40.7	40.0	41.0	39.2	39.8	41.7	40.4	41.7	39.8	40.5	41.8	40.9
NON-OECD																	
FSU ¹	7.1	5.7	5.3	4.4	4.6	4.9	4.8	5.1	4.4	4.5	4.8	4.7	5.1	4.5	4.3	4.7	4.6
Europe	1.3	1.3	1.4	1.4	1.3	1.4	1.4	1.5	1.4	1.3	1.4	1.4	1.6	1.5	1.4	1.5	1.5
China ²	2.7	3.0	3.1	3.1	3.1	3.2	3.1	3.2	3.3	3.4	3.4	3.3	3.4	3.5	3.6	3.6	3.5
Other Asia	6.5	7.0	7.4	7.2	7.2	7.9	7.4	8.0	7.8	7.6	8.4	8.0	8.5	8.3	8.1	9.0	8.5
Latin America	5.5	5.7	5.7	5.8	5.9	6.0	5.9	6.0	5.9	6.0	5.9	6.0	6.1	6.1	6.2	6.2	6.2
Middle East	3.6	3.9	4.0	4.0	4.1	4.1	4.0	4.0	4.0	4.1	4.1	4.1	4.1	4.1	4.2	4.2	4.1
Africa	2.0	2.1	2.1	2.1	2.0	2.1	2.1	2.1	2.2	2.0	2.2	2.1	2.2	2.2	2.1	2.2	2.2
TOTAL NON-OECD	28.7	28.6	29.0	27.9	28.2	29.7	28.7	30.0	29.1	29.0	30.3	29.6	30.9	30.1	29.9	31.3	30.5
TOTAL DEMAND³	67.5	67.7	69.7	66.6	67.9	70.3	68.6	71.0	68.3	68.8	72.0	70.0	72.6	69.9	70.4	73.1	71.5
SUPPLY																	
OECD																	
North America	11.1	11.0	10.9	10.7	10.9	11.1	10.9	11.1	11.0	10.9	11.0	11.0	11.1	10.9	10.9	11.1	11.0
Europe	4.8	5.1	5.9	6.0	5.8	6.5	6.0	6.4	6.0	6.2	6.8	6.3	7.1	6.8	7.0	7.7	7.1
Pacific	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.8	0.9	1.0	1.0	0.9
TOTAL OECD	16.6	16.8	17.5	17.4	17.4	18.3	17.6	18.1	17.7	17.8	18.5	18.0	19.1	18.6	18.8	19.7	19.1
NON-OECD																	
FSU	8.9	7.9	7.1	7.0	7.2	7.3	7.2	7.1	7.1	7.1	7.2	7.1	7.2	7.1	7.0	7.1	7.1
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	2.9	2.9	2.8	2.8	3.0	2.8	3.0	2.9	3.0	3.1	3.0	3.0	3.1	3.1	3.1	3.1
Other Asia	1.8	1.8	1.9	1.9	2.0	2.0	1.9	2.0	2.1	2.1	2.1	2.1	2.2	2.2	2.2	2.3	2.2
Latin America	5.7	5.8	5.9	5.9	6.0	6.0	5.9	6.1	6.0	6.3	5.9	6.1	6.4	6.5	6.5	6.6	6.5
Middle East	1.5	1.6	1.7	1.8	1.8	1.8	1.8	1.9	1.9	1.9	1.9	1.9	2.0	2.0	2.0	2.0	2.0
Africa	2.0	2.0	2.0	2.0	2.1	2.1	2.1	2.2	2.2	2.2	2.3	2.2	2.3	2.4	2.4	2.5	2.4
Processing Gains ⁴	1.3	1.4	1.4	1.4	1.4	1.4	1.4	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
TOTAL NON-OPEC	40.9	40.5	40.7	40.4	40.9	42.2	41.1	42.1	41.6	42.2	42.8	42.2	43.9	43.5	43.9	45.1	44.1
OPEC																	
Crude	24.1	24.7	24.9	24.9	24.9	25.2	25.0	25.2	25.2	25.6	25.7	25.4					
NGLs	2.1	2.3	2.3	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.5	2.4	2.6	2.7	2.8	2.8	2.7
TOTAL OPEC	26.2	26.9	27.3	27.3	27.3	27.6	27.4	27.5	27.6	28.0	28.1	27.8					
TOTAL SUPPLY⁵	67.1	67.4	68.0	67.7	68.2	69.8	68.4	69.7	69.3	70.1	70.9	70.0					
STOCK CHANGE AND MISCELLANEOUS																	
REPORTED OECD																	
Industry	-0.1	0.1	-1.4	1.3	1.0	-0.4	0.1	-1.2	0.7	0.6	-0.8	-0.2					
Government	0.1	0.1	0.1	0.0	0.0	0.1	0.1	0.1	-0.1	0.1	0.1	0.1					
TOTAL OECD	0.0	0.2	-1.3	1.3	1.0	-0.3	0.2	-1.1	0.6	0.7	-0.7	-0.1					
Floating Storage/Oil in Transit	0.0	0.1	-0.1	0.1	-0.2	-0.1	-0.1	-0.3	0.1	0.5	0.1	0.0					
Miscellaneous to balance ⁶	-0.4	-0.6	-0.3	-0.3	-0.5	-0.1	-0.3	0.1	0.3	0.2	-0.3	0.1					
TOTAL STOCK CH. & MISC.	-0.4	-0.3	-1.7	1.1	0.3	-0.5	-0.2	-1.3	1.0	1.4	-1.0	0.0					
Memo items:																	
FSU Net Exports	1.8	2.2	1.8	2.7	2.7	2.4	2.4	2.0	2.7	2.6	2.4	2.4	2.1	2.6	2.7	2.4	2.5
Call on OPEC crude + Stock ch. ⁷	24.5	25.0	26.7	23.8	24.6	25.7	25.2	26.5	24.2	24.2	26.7	25.4	26.0	23.7	23.7	25.2	24.6
Total Demand ex. FSU (mb/d)	60.4	62.0	64.5	62.2	63.4	65.4	63.9	65.9	63.8	64.3	67.1	65.3	67.5	65.4	66.1	68.4	66.9
Total Demand ex. FSU (% ch.) ⁸	3.0	2.6	3.5	3.2	3.5	2.1	3.1	2.2	2.6	1.4	2.6	2.2	2.4	2.5	2.8	1.9	2.4

1 Figures for FSU are apparent 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) and marine transportation losses.

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.

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

8 Year on year % growth in global oil demand excluding FSU.

Table 1A
WORLD OIL SUPPLY AND DEMAND: CHANGES FROM LAST MONTH'S TABLE 1
(million barrels per day)

	1992	1993	1Q94	2Q94	3Q94	4Q94	1994	1Q95	2Q95	3Q95	4Q95	1995	1Q96	2Q96	3Q96	4Q96	1996
DEMAND																	
OECD																	
North America	-	-	-	-	-	-	-	-	-	-	0.2	0.1	0.1	-	-	-	-
Europe	-	-	-	-	-	-	-	-	-	-	0.1	-	-0.1	-	-	-	-
Pacific	-	-	-	-	-	-	-	-	-	-	0.1	-	-	-	-	-	-0.1
TOTAL OECD	-	-	-	-	-	-	-	-	-	-	0.5	0.1	0.1	-	-	-	-
NON-OECD																	
FSU	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Asia	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Latin America	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Middle East	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Africa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NON-OECD	-	-	-	-	-	-	-	-	-	-	0.1	-	-	-	-	-	-
TOTAL DEMAND	-	-	-	-	-	-	-	-	-	-	0.6	0.1	0.1	-	-	-	-
SUPPLY																	
OECD																	
North America	-	-	-	-	-	-	-	-	-	-	-0.1	-	-	-	0.1	-	-
Europe	-	-	-	-	-	-	-	-	-	-	-0.2	-0.1	-0.1	-0.1	-	-	-0.1
Pacific	-	-	-	-	-	-	-	-	-	-	-0.1	-	-0.1	-	-	-	-
TOTAL OECD	-	-	-	-	-	-	-	-	-	-	-0.4	-0.1	-0.1	-0.1	-	-	-
NON-OECD																	
FSU	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
China	-	-	-0.1	-0.1	-0.1	0.1	-0.1	-	-	-	0.1	-	-	-	-	-	-
Other Asia	-	-	-	-	-	-	-	-	-	-	-0.1	-	-	-	-	-	-
Latin America	-	-	-	-	-	-	-	-	-	-	-0.1	-	-	-	-	-	-
Middle East	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Africa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-0.1	-	-
Processing Gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NON-OPEC	-	-	-0.1	-0.2	-0.2	-	-0.1	-	-	-	-0.5	-0.1	-0.2	-0.2	-	0.1	-0.1
OPEC																	
Crude	-	-	-	-	-	-	-	-	-0.1	0.1	-	-	-	-	-	-	-
NGLs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL OPEC	-	-	-	-	-	-	-	-	-0.1	-	-	-	-	-	-	-	-
TOTAL SUPPLY	-	-	-0.1	-0.2	-0.2	-	-0.1	-	-	-	-	-	-	-	-	-	-
STOCK CHANGE AND MISCELLANEOUS																	
REPORTED OECD																	
Industry	-	-	-	-	-	-	-	-	-	0.1	-	-	-	-	-	-	-
Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL OECD	-	-	-	-	-	-	-	-	-	-0.1	0.1	-	-	-	-	-	-
Floating Storage/Oil in Transit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous to balance	-	-	-0.1	-0.2	-0.1	-	-0.1	-	-	-	-0.1	-	-	-	-	-	-
TOTAL STOCK CH. & MISC.	-	-	-0.1	-0.2	-0.2	-	-0.1	-	-	-	-	-	-	-	-	-	-
Memo items:																	
FSU Net Exports	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Call on OPEC crude + Stock ch.	-	-	0.1	0.2	0.2	-	0.1	-	-	-	1.1	0.3	0.2	0.1	-	-	-
Total Demand ex.FSU	-	-	-	-	-	-	-	-	-	-	0.5	0.1	0.1	-0.1	-	-	-

When submitting their monthly oil statistics, IEA member countries periodically update data for earlier years. Similar updates to non-OECD data can occur. While the changes are generally small, due to rounding they can lead to changes to historical data of 0.1 mb/d.

Table 2
OECD REGIONAL OIL DEMAND
(million barrels per day)

	Second Quarter			July			August			September			Third Quarter		
	1994	1995	%	1994	1995	%	1994	1995	%	1994	1995	%	1994	1995	%
North America															
LPG	1.81	1.99	9.8	2.01	1.85	-7.9	2.04	1.98	-3.1	2.13	2.17	2.3	2.06	2.00	-2.8
Naphtha	0.27	0.25	-9.2	0.28	0.28	-0.9	0.28	0.27	-2.4	0.20	0.20	0.1	0.25	0.25	-1.2
Motor Gasoline	8.37	8.60	2.8	8.60	8.55	-0.6	8.70	8.90	2.3	8.31	8.49	2.1	8.54	8.65	1.3
Jet/Kerosene	1.59	1.58	-0.7	1.60	1.61	0.7	1.69	1.67	-1.6	1.60	1.63	2.4	1.63	1.64	0.4
Gasoil	3.44	3.52	2.3	3.04	3.11	2.5	3.49	3.47	-0.7	3.60	3.75	4.3	3.37	3.44	2.0
Residual Fuel Oil	1.21	0.99	-18.2	1.11	0.92	-17.2	1.13	1.01	-10.2	0.93	1.01	8.1	1.06	0.98	-7.4
Other Products	2.73	2.55	-6.7	2.86	2.83	-1.0	2.87	2.84	-1.3	2.80	2.83	1.2	2.85	2.84	-0.4
Total	19.42	19.47	0.3	19.49	19.15	-1.8	20.20	20.13	-0.4	19.57	20.09	2.7	19.75	19.79	0.2
Europe															
LPG	0.81	0.83	2.4	0.74	0.75	0.6	0.75	0.72	-3.9	0.87	0.78	-10.4	0.79	0.75	-4.8
Naphtha	0.89	1.05	17.9	0.87	0.99	14.5	0.88	1.05	19.1	0.88	0.97	10.2	0.88	1.01	14.7
Motor Gasoline	3.03	3.02	-0.4	3.07	3.02	-1.5	3.23	3.14	-2.7	3.11	3.02	-2.8	3.13	3.06	-2.3
Jet/Kerosene	0.80	0.84	4.5	0.88	0.92	4.6	0.91	0.93	2.0	0.88	0.94	6.1	0.89	0.93	4.2
Gasoil	4.54	4.57	0.8	4.27	4.41	3.3	4.40	4.44	1.1	4.86	4.79	-1.5	4.51	4.55	0.9
Residual Fuel Oil	1.99	2.02	1.4	1.86	2.03	9.2	1.88	1.98	5.6	2.21	2.10	-4.9	1.98	2.04	2.9
Other Products	1.24	1.21	-1.6	1.35	1.25	-7.0	1.30	1.30	0.1	1.44	1.28	-10.8	1.36	1.28	-6.0
Total	13.30	13.55	1.9	13.04	13.38	2.6	13.35	13.57	1.7	14.25	13.88	-2.6	13.54	13.61	0.5
Pacific															
LPG	0.66	0.71	7.6	0.67	0.62	-7.9	0.61	0.61	-0.1	0.62	0.63	3.2	0.63	0.62	-1.8
Naphtha	0.66	0.76	15.5	0.66	0.72	8.9	0.67	0.80	18.8	0.66	0.77	16.4	0.66	0.76	14.7
Motor Gasoline	1.17	1.19	1.8	1.28	1.28	-0.3	1.34	1.38	2.5	1.23	1.23	-0.2	1.29	1.30	0.7
Jet/Kerosene	0.52	0.57	10.1	0.46	0.52	12.2	0.46	0.52	11.2	0.49	0.57	15.0	0.47	0.53	12.8
Gasoil	1.39	1.42	2.2	1.41	1.42	0.1	1.39	1.43	2.8	1.42	1.46	3.4	1.41	1.44	2.1
Residual Fuel Oil	0.87	0.81	-7.5	1.04	0.83	-20.7	1.02	0.92	-10.0	0.91	0.89	-1.6	0.99	0.88	-11.3
Other Products	0.72	0.71	-1.0	0.96	0.68	-29.6	1.00	0.86	-14.1	0.95	0.80	-15.4	0.97	0.78	-19.7
Total	5.99	6.17	3.1	6.49	6.05	-6.8	6.51	6.51	0.1	6.27	6.36	1.4	6.43	6.31	-1.8
OECD															
LPG	3.28	3.53	7.5	3.42	3.22	-6.0	3.40	3.31	-2.7	3.61	3.59	-0.6	3.48	3.37	-3.1
Naphtha	1.83	2.06	12.9	1.81	2.00	10.1	1.84	2.12	15.7	1.74	1.94	11.4	1.80	2.02	12.4
Motor Gasoline	12.57	12.81	1.9	12.95	12.85	-0.8	13.27	13.42	1.1	12.65	12.73	0.7	12.96	13.00	0.3
Jet/Kerosene	2.91	2.98	2.7	2.94	3.04	3.7	3.07	3.11	1.4	2.97	3.14	5.6	2.99	3.10	3.5
Gasoil	9.37	9.51	1.6	8.72	8.94	2.5	9.28	9.34	0.7	9.88	10.00	1.3	9.28	9.42	1.5
Residual Fuel Oil	4.07	3.81	-6.3	4.01	3.78	-5.8	4.03	3.92	-2.8	4.05	4.00	-1.2	4.03	3.90	-3.3
Other Products	4.69	4.47	-4.5	5.17	4.76	-7.9	5.17	5.00	-3.4	5.19	4.92	-5.2	5.18	4.89	-5.5
Total	38.71	39.19	1.2	39.02	38.58	-1.1	40.06	40.22	0.4	40.09	40.32	0.6	39.72	39.70	0

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)

	July			August			September			Third Quarter			October		
	1994	1995	%	1994	1995	%	1994	1995	%	1994	1995	%	1994	1995	%
United States**															
LPG	1.76	1.58	-10.0	1.80	1.75	-2.9	1.85	1.90	2.6	1.80	1.74	-3.4	2.05	1.89	-8.0
Naphtha	0.21	0.20	-4.5	0.20	0.20	0.2	0.17	0.17	0.2	0.19	0.19	-1.6	0.23	0.21	-8.0
Motor Gasoline	7.88	7.85	-0.4	7.97	8.15	2.2	7.62	7.79	2.3	7.83	7.93	1.3	7.55	7.86	4.1
Jet/Kerosene	1.48	1.48	0.4	1.58	1.54	-2.5	1.48	1.51	2.5	1.51	1.51	0.1	1.57	1.59	1.9
Gasoil	2.66	2.72	2.1	3.06	3.03	-1.0	3.13	3.29	4.9	2.95	3.01	2.0	3.07	3.29	7.2
Residual Fuel Oil	0.94	0.76	-19.4	0.97	0.83	-14.7	0.76	0.84	9.9	0.89	0.81	-9.5	0.86	0.82	-4.2
Other Products	2.55	2.51	-1.4	2.53	2.50	-1.3	2.48	2.51	1.3	2.52	2.51	-0.5	2.40	2.22	-9.0
Total	17.49	17.11	-2.1	18.12	17.99	-0.7	17.49	18.01	3.0	17.70	17.70	0	17.72	17.86	0.8
Japan															
LPG	0.59	0.53	-9.9	0.52	0.52	0	0.53	0.55	3.0	0.55	0.54	-2.6	0.57	0.57	0.3
Naphtha	0.66	0.72	9.0	0.67	0.79	18.9	0.65	0.76	16.5	0.66	0.76	14.8	0.74	0.73	-0.9
Motor Gasoline	0.94	0.95	1.6	1.00	1.02	1.7	0.88	0.88	-0.9	0.94	0.95	0.9	0.84	0.84	0.7
Jet/Kerosene	0.37	0.41	10.5	0.37	0.42	11.5	0.40	0.47	17.3	0.38	0.43	13.2	0.51	0.52	2.3
Diesel	0.76	0.75	-0.4	0.74	0.76	3.4	0.50	0.76	52.0	0.67	0.76	13.9	0.73	0.75*	1.5
Other Gasoil	0.44	0.44	0.1	0.43	0.44	0.4	0.68	0.47	-31.7	0.52	0.45	-13.5	0.46	0.46*	1.3
Residual Fuel Oil	0.97	0.77	-20.3	0.97	0.87	-10.2	0.84	0.83	-2.1	0.93	0.82	-11.3	0.82	0.74	-9.2
Direct use of Crude Oil	0.46	0.23	-50.9	0.54	0.37	-31.4	0.45	0.28	-36.9	0.48	0.29	-39.4	0.34	0.23	-33.2
Other Products	0.39	0.32	-16.5	0.34	0.35	2.5	0.38	0.37	-2.7	0.37	0.35	-5.9	0.37	0.34	-6.9
Total	5.57	5.13	-8.0	5.59	5.55	-0.8	5.33	5.37	0.7	5.50	5.35	-2.8	5.36	5.18	-3.4
Germany															
LPG	0.10	0.11	0.7	0.11	0.11	-1.0	0.13	0.12	-8.3	0.11	0.11	-3.2	0.10	0.09	-12.3
Naphtha	0.31	0.30	-4.8	0.29	0.31	8.3	0.32	0.30	-6.8	0.31	0.30	-1.4	0.36	0.31	-12.9
Motor Gasoline	0.69	0.71	3.9	0.72	0.72	0.1	0.72	0.72	0.2	0.71	0.72	1.4	0.69	0.71	2.0
Jet/Kerosene	0.14	0.14	0.7	0.14	0.14	-1.8	0.14	0.14	-0.8	0.14	0.14	-0.6	0.14	0.13	-1.9
Diesel	0.44	0.44	-0.2	0.46	0.46	-0.5	0.49	0.46	-6.9	0.47	0.45	-2.6	0.46	0.45	-1.4
Other Gasoil	0.78	0.76	-2.8	0.83	0.80	-3.0	0.83	0.79	-4.5	0.81	0.79	-3.4	0.76	0.67	-12.2
Residual Fuel Oil	0.18	0.20	13.7	0.16	0.19	18.9	0.19	0.20	8.8	0.17	0.20	13.6	0.19	0.20	4.2
Other Products	0.17	0.17	-2.9	0.20	0.20	1.0	0.22	0.20	-7.1	0.20	0.19	-3.0	0.19	0.19	2.4
Total	2.82	2.83	0.4	2.91	2.93	0.9	3.04	2.94	-3.4	2.92	2.90	-0.7	2.88	2.75	-4.6
Italy															
LPG	0.08	0.09	5.8	0.09	0.10	10.2	0.11	0.11	2.1	0.09	0.10	5.7	0.12	0.11	-8.4
Naphtha	0.12	0.13	8.6	0.11	0.14	18.9	0.09	0.13	45.5	0.11	0.13	22.4	0.11	0.14	26.7
Motor Gasoline	0.41	0.41	-0.1	0.42	0.42	-0.3	0.41	0.41	-0.6	0.41	0.41	-0.4	0.39	0.39	1.7
Jet/Kerosene	0.07	0.07	4.6	0.08	0.06	-16.8	0.06	0.07	8.0	0.07	0.07	-2.3	0.06	0.08	32.0
Diesel	0.30	0.24	-22.2	0.26	0.22	-14.9	0.35	0.27	-22.4	0.31	0.24	-20.1	0.35	0.26	-26.2
Other Gasoil	0.15	0.22	52.4	0.11	0.18	54.3	0.18	0.26	46.7	0.15	0.22	50.6	0.19	0.34	79.2
Residual Fuel Oil	0.48	0.53	10.9	0.52	0.47	-10.5	0.60	0.53	-12.2	0.54	0.51	-4.6	0.54	0.55	2.3
Other Products	0.13	0.16	19.7	0.14	0.12	-11.5	0.17	0.15	-9.5	0.15	0.14	-1.0	0.15	0.16	8.2
Total	1.74	1.84	6.0	1.73	1.70	-1.8	1.98	1.94	-2.0	1.82	1.83	0.7	1.91	2.03	6.6
France															
LPG	0.08	0.08	3.8	0.09	0.08	-9.0	0.10	0.10	0.4	0.09	0.09	-1.8	0.12	0.11	-6.9
Naphtha	0.12	0.23	84.1	0.14	0.22	55.3	0.14	0.17	22.2	0.14	0.21	53.0	0.17	0.21	25.7
Motor Gasoline	0.42	0.40	-5.7	0.43	0.39	-8.3	0.40	0.36	-8.0	0.42	0.38	-7.3	0.36	0.35	-3.4
Jet/Kerosene	0.11	0.12	3.2	0.11	0.12	6.1	0.11	0.11	5.9	0.11	0.11	5.0	0.09	0.10	6.0
Diesel	0.44	0.46	5.3	0.41	0.43	3.2	0.46	0.47	2.0	0.44	0.45	3.5	0.44	0.47	6.8
Other Gasoil	0.27	0.36	33.3	0.30	0.24	-17.8	0.35	0.37	3.8	0.31	0.32	5.6	0.33	0.31	-4.0
Residual Fuel Oil	0.09	0.13	38.2	0.09	0.13	39.5	0.13	0.14	7.5	0.11	0.13	25.9	0.14	0.15	10.1
Other Products	0.23	0.15	-32.5	0.16	0.17	6.3	0.23	0.16	-30.9	0.21	0.16	-21.7	0.19	0.15	-18.2
Total	1.77	1.93	9.1	1.73	1.78	2.9	1.92	1.89	-1.7	1.81	1.87	3.4	1.84	1.87	1.4
United Kingdom															
LPG	0.16	0.18	8.4	0.15	0.15	1.4	0.17	0.16	-5.4	0.16	0.17	1.4	0.18	0.17	-4.8
Naphtha	0.06	0.05	-18.8	0.06	0.07	13.6	0.05	0.08	59.9	0.06	0.07	13.9	0.07	0.06	-3.0
Motor Gasoline	0.55	0.51	-6.9	0.56	0.53	-4.0	0.55	0.52	-6.5	0.55	0.52	-5.8	0.53	0.53	-0.3
Jet/Kerosene	0.20	0.22	7.3	0.21	0.23	8.1	0.23	0.25	8.5	0.21	0.23	8.0	0.21	0.23	6.4
Diesel	0.25	0.26	3.5	0.26	0.27	4.4	0.28	0.28	0	0.26	0.27	2.6	0.27	0.28	5.0
Other Gasoil	0.17	0.16	-7.1	0.18	0.17	-7.4	0.20	0.18	-10.5	0.18	0.17	-8.4	0.19	0.18	-2.8
Residual Fuel Oil	0.16	0.16	-0.4	0.14	0.18	24.2	0.19	0.15	-21.6	0.16	0.16	-1.3	0.21	0.17	-20.5
Other Products	0.20	0.20	0	0.20	0.19	-1.1	0.20	0.20	0.5	0.20	0.20	-0.2	0.21	0.22	3.6
Total	1.76	1.74	-1.4	1.76	1.80	2.0	1.88	1.82	-3.1	1.80	1.78	-0.9	1.87	1.84	-1.3
Canada**															
LPG	0.24	0.26	7.9	0.23	0.22	-4.5	0.26	0.26	0	0.24	0.25	1.2	0.26	0.26	0.0
Naphtha	0.07	0.08	10.4	0.08	0.07	-8.9	0.03	0.03	0	0.06	0.06	0	0.06	0.07	27.1
Motor Gasoline	0.66	0.64	-2.9	0.67	0.69	3.5	0.64	0.64	0	0.65	0.66	0.2	0.59	0.6	2.7
Jet/Kerosene	0.09	0.09	5.1	0.09	0.10	14.7	0.09	0.09	0	0.09	0.09	6.6	0.08	0.09	7.8
Gasoil	0.35	0.37	6.0	0.40	0.41	2.2	0.43	0.43	0	0.39	0.40	2.5	0.42	0.43	2.5
Residual Fuel Oil	0.11	0.10	-7.2	0.10	0.13	27.6	0.11	0.11	0	0.11	0.11	6.4	0.13	0.12	-6.1
Other Products	0.26	0.27	2.8	0.29	0.28	-1.5	0.27	0.27	0	0.27	0.27	0.4	0.23	0.23	0.3
Total	1.77	1.80	1.8	1.85	1.90	2.8	1.83	1.83	0	1.82	1.85	1.5	1.77	1.81	2.3

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.

US figures do not include territories.

*In Japan, the breakdown between Diesel and Other Gasoil in the latest month is estimated using the same split between the two products as last year.

**Data for United States and Canada for October 1995 are preliminary.

Table 4
WORLD OIL PRODUCTION
(million barrels per day)

	1993	1994	1995*	4Q94	1Q95	2Q95	3Q95	4Q95*	OCT95	NOV95*	DEC95*
OPEC											
Crude Oil											
Saudi Arabia	7.96	7.90	7.94	7.92	7.93	7.88	8.01	7.92	7.96	7.91	7.91
Iran	3.65	3.61	3.65	3.63	3.62	3.65	3.65	3.69	3.66	3.69	3.73
Iraq	0.48	0.53	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55
UAE	2.17	2.22	2.20	2.21	2.21	2.21	2.19	2.17	2.19	2.15	2.18
Kuwait	1.69	1.84	1.84	1.86	1.83	1.84	1.84	1.84	1.83	1.84	1.86
Neutral Zone	0.36	0.39	0.43	0.40	0.42	0.41	0.44	0.43	0.44	0.45	0.42
Qatar	0.42	0.41	0.45	0.39	0.44	0.45	0.45	0.46	0.44	0.48	0.47
Nigeria	1.91	1.90	1.93	1.92	1.86	1.93	1.93	2.01	1.98	2.02	2.04
Libya	1.37	1.38	1.41	1.39	1.41	1.40	1.41	1.40	1.40	1.40	1.40
Algeria	0.74	0.75	0.76	0.75	0.75	0.75	0.76	0.79	0.79	0.80	0.80
Gabon	0.30	0.32	0.35	0.34	0.34	0.35	0.35	0.35	0.34	0.35	0.36
Venezuela	2.31	2.44	2.58	2.51	2.48	2.51	2.64	2.71	2.70	2.70	2.73
Indonesia	1.34	1.32	1.34	1.34	1.32	1.34	1.34	1.34	1.34	1.34	1.35
Total Crude Oil	24.70	24.99	25.41	25.19	25.17	25.25	25.55	25.67	25.60	25.65	25.76
NGLs ¹	2.25	2.38	2.42	2.42	2.38	2.39	2.41	2.48	2.46	2.48	2.50
TOTAL OPEC³	26.95	27.37	27.83	27.61	27.55	27.64	27.97	28.15	28.05	28.13	28.26
NON-OPEC²											
OECD											
North America	10.99	10.92	10.99	11.10	11.09	11.01	10.87	11.00	10.88	11.06	11.05
United States	8.82	8.64	8.59	8.75	8.70	8.64	8.50	8.53	8.51	8.56	8.53
Canada	2.18	2.28	2.40	2.35	2.39	2.37	2.37	2.46	2.37	2.50	2.52
Europe	5.12	6.03	6.33	6.47	6.35	5.96	6.18	6.79	6.83	6.78	6.77
UK	2.14	2.71	2.80	2.91	2.92	2.55	2.76	2.96	3.04	2.98	2.86
Norway	2.38	2.69	2.92	2.94	2.81	2.81	2.83	3.20	3.17	3.18	3.26
Others	0.60	0.63	0.62	0.62	0.62	0.60	0.60	0.63	0.62	0.63	0.65
Pacific	0.65	0.69	0.68	0.70	0.67	0.69	0.70	0.68	0.62	0.72	0.73
Australia	0.56	0.60	0.59	0.61	0.58	0.60	0.59	0.58	0.52	0.60	0.61
Others	0.09	0.09	0.10	0.09	0.09	0.09	0.11	0.11	0.10	0.11	0.11
Total OECD	16.76	17.64	18.00	18.27	18.11	17.66	17.75	18.47	18.32	18.56	18.54
Non-OECD											
FSU	7.92	7.16	7.14	7.27	7.14	7.09	7.09	7.23	7.21	7.20	7.27
Russia	6.95	6.28	6.17	6.37	6.22	6.15	6.11	6.19	6.17	6.16	6.22
Others	0.97	0.88	0.97	0.90	0.92	0.95	0.98	1.04	1.04	1.04	1.05
Asia	4.69	4.78	5.07	5.03	5.00	5.01	5.08	5.19	5.18	5.16	5.24
China	2.91	2.84	2.99	2.98	2.97	2.95	3.00	3.06	3.06	3.03	3.08
Malaysia	0.63	0.69	0.75	0.71	0.72	0.73	0.75	0.80	0.80	0.80	0.81
India	0.54	0.63	0.71	0.70	0.69	0.72	0.71	0.72	0.70	0.72	0.74
Others	0.60	0.62	0.62	0.64	0.62	0.61	0.62	0.62	0.62	0.62	0.62
Europe	0.28	0.28	0.27	0.28	0.27	0.26	0.28	0.27	0.27	0.27	0.27
Latin America	5.77	5.94	6.08	6.01	6.09	6.01	6.32	5.90	5.36	6.09	6.25
Mexico	3.14	3.14	3.07	3.15	3.11	3.14	3.18	2.83	2.24	3.01	3.25
Brazil	0.88	0.92	0.93	0.93	0.97	0.80	1.00	0.96	0.98	0.97	0.93
Argentina	0.63	0.71	0.76	0.74	0.75	0.76	0.76	0.76	0.76	0.75	0.75
Colombia	0.46	0.46	0.59	0.48	0.54	0.58	0.64	0.61	0.65	0.61	0.58
Ecuador	0.34	0.37	0.39	0.38	0.38	0.38	0.39	0.39	0.39	0.39	0.39
Others	0.33	0.34	0.35	0.34	0.34	0.35	0.35	0.35	0.35	0.35	0.35
Middle East ⁴	1.63	1.79	1.90	1.85	1.87	1.89	1.92	1.93	1.93	1.92	1.93
Oman	0.79	0.82	0.86	0.84	0.84	0.86	0.87	0.87	0.88	0.87	0.87
Syria	0.56	0.57	0.61	0.60	0.60	0.61	0.62	0.62	0.62	0.62	0.63
Yemen	0.22	0.35	0.38	0.36	0.37	0.38	0.38	0.38	0.38	0.38	0.38
Africa	2.05	2.06	2.24	2.10	2.17	2.24	2.25	2.30	2.29	2.31	2.31
Egypt	0.96	0.92	0.95	0.93	0.96	0.95	0.94	0.98	0.97	0.98	0.98
Angola	0.50	0.53	0.65	0.54	0.59	0.67	0.67	0.68	0.68	0.69	0.69
Others	0.58	0.61	0.63	0.62	0.63	0.63	0.64	0.64	0.64	0.64	0.65
Total Non-OECD	22.34	22.01	22.70	22.53	22.55	22.50	22.94	22.82	22.24	22.96	23.27
Processing Gains ⁵	1.39	1.43	1.48	1.43	1.48	1.48	1.48	1.48	1.48	1.48	1.48
TOTAL NON-OPEC	40.49	41.08	42.18	42.23	42.14	41.64	42.17	42.77	42.04	43.00	43.29
TOTAL SUPPLY	67.43	68.45	70.01	69.84	69.69	69.28	70.14	70.92	70.09	71.13	71.54

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

2 Includes condensates reported by OPEC countries oil from non-conventional sources, e.g. Orimulsion, and non oil inputs to Saudi Arabian MTBE.

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

4 Includes small amounts of production from Israel, Jordan and Bahrain.

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

*Preliminary

Table 4A
OIL SUPPLY IN OECD COUNTRIES¹

(thousand barrels per day)

	September		3rd Quarter 95		October		November		December		4th Quarter 95	
	Level	Change ²	Level	Change	Level	Change	Level	Change	Level	Change	Level	Change
United States												
Alaska	1376	-55	1403	-101	1484	108	1479	-5	1473	-6	1479	75
California (inc. offshore)	944	-24	956	-1	946	2	954	8	952	-2	951	-5
Texas	1469	19	1469	-55	1466	-3	1476	10	1440	-36	1461	-9
Offshore Gulf of Mexico	1070	3	1065	67	1014	-56	1083	69	1109	26	1069	4
Other US Lower 48	1539	-24	1548	-26	1520	-19	1500	-20	1471	-29	1497	-51
NGLs ³	1774	44	1751	-20	1750	-24	1722	-28	1725	3	1732	-19
Other Hydrocarbons	291	-28	303	-4	327	36	350	23	355	5	344	40
Total	8463	-65	8496	-140	8507	44	8564	57	8525	-39	8532	36
Canada												
Alberta Light & Medium	767	66	726	24	731	-36	765	34	760	-5	752	26
Alberta Heavy	248	-1	247	8	225	-23	250	25	255	5	243	-4
Alberta Bitumen	159	0	159	8	155	-4	155	0	155	0	155	-5
Saskatchewan	328	11	323	12	336	8	340	4	343	3	340	17
Other Conventional	106	7	103	-2	104	-2	104	0	102	-3	103	1
NGLs	517	-56	534	-40	542	25	591	49	606	15	580	46
Syncrudes	271	-10	279	-7	277	6	295	18	300	5	291	11
Total	2395	17	2372	3	2369	-26	2500	131	2521	20	2463	91
United Kingdom⁴												
Brent Fields	471	-12	471	15	504	33	508	4	527	19	513	42
Forties Fields	956	19	940	131	1030	74	1020	-10	907	-113	985	45
Ninian Fields	318	89	279	-13	318	0	311	-7	331	20	320	42
Flotta Fields	262	-17	274	77	268	6	249	-19	269	20	262	-12
Other Offshore Fields	486	63	438	-18	522	36	490	-31	435	-55	482	45
NGLs	255	21	248	8	290	35	293	3	283	-10	289	40
Total	2748	163	2649	202	2932	184	2872	-60	2752	-120	2852	203
Norway⁴												
Ekofisk/Ula Area	470	-21	489	-13	506	36	514	8	526	12	516	26
Oseberg Area	747	37	721	77	879	132	879	-0	908	29	888	167
Stattfjord-Gullfaks-Snorre	1310	169	1267	-65	1381	71	1309	-72	1301	-8	1331	64
Haltenbanken	143	10	137	30	141	-2	225	85	260	35	208	71
Sleipner/Frigg Area	107	29	96	12	118	11	105	-13	116	11	113	17
Plant Condensate (as NGLs)	5	-0	6	-1	15	10	18	3	19	1	17	12
Lighter NGLs	119	20	116	-16	129	10	127	-2	135	8	130	15
Total	2901	244	2833	24	3169	268	3177	8	3264	87	3204	371
Other OECD Europe												
Other North Sea	235	8	230	-5	238	2	231	-6	242	11	237	7
Onshore U.K.	106	1	105	3	106	0	106	0	106	0	106	1
Italy	93	-9	94	-1	93	0	95	2	100	5	96	2
Turkey	68	1	67	-1	69	1	69	0	69	0	69	2
Other	159	4	157	4	156	-3	161	5	161	0	159	3
NGLs	35	4	31	-3	39	4	46	7	51	5	45	15
Non-Conventional Oils	17	-3	19	-2	26	9	25	-1	25	0	25	7
Total	713	7	703	-4	727	13	733	7	754	21	738	36
Australia												
Gippsland Basin	223	6	222	-16	216	-7	225	9	225	0	222	-0
Cooper/Eromonga	32	-7	38	-2	41	8	40	-0	40	0	41	2
Carnarvon Basin	247	21	238	17	176	-71	235	59	251	17	220	-18
Bonaparte Basin	26	-3	25	1	26	-1	32	7	23	-9	27	2
Other Fields	6	-1	6	1	6	-0	6	1	6	0	6	0
NGLs	58	-6	63	-3	56	-2	65	9	65	0	62	-2
Total	592	11	593	-2	519	-73	603	84	610	7	577	-16
Other OECD Pacific												
New Zealand	35	-5	38	6	31	-4	35	4	35	0	34	-4
Japan	11	0	11	-0	11	0	11	0	11	0	11	0
NGLs	11	-1	12	1	10	-1	11	1	12	1	11	-1
Synthetic Fuels	52	1	48	9	44	-8	55	11	56	1	52	4
Total	109	-5	109	16	96	-13	112	16	114	2	107	-1
OECD												
Crude Oil	14516	385	14342	176	14814	297	14964	151	14909	-55	14895	553
NGLs	2774	26	2762	-74	2831	57	2873	42	2896	23	2867	105
Non-Conventional Oils	631	-40	650	-4	674	43	725	51	736	11	711	62
Total	17922	371	17753	98	18319	397	18562	244	18541	-22	18473	720

1 Subcategories refer to crude oil only unless otherwise noted.

2 All changes are period to period not year-on-year.

3 To the extent possible, condensates derived from natural gas processing plants are included with NGLs, whereas field condensates are counted as crude oil.

4 North Sea production is grouped by area including all fields being processed through the named facility, i.e. not just the field of that name.

Table 5
OECD INDUSTRY STOCKS¹ AND QUARTERLY STOCK CHANGES

	RECENT MONTHLY STOCKS ² in Million Barrels					PRIOR YEAR ^{RS} STOCKS ² in Million Barrels			STOCK CHANGES in mb/d			
	JUL95	AUG95	SEP95*	OCT95*	NOV95*	NOV92	NOV93	NOV94	Q494	Q195	Q295	Q395
North America												
Crude	397	378	385	389	399	388	403	414	0.01	0.00	0.05	-0.28
Gasoline	229	214	219	217	218	233	241	238	0.14	0.00	-0.12	-0.08
Middle Distillate	198	202	206	204	212	222	218	227	0.06	-0.43	-0.06	0.23
Residual Fuel Oil	46	47	49	47	46	55	56	52	-0.03	-0.04	-0.01	0.04
Total Products ³	651	645	652	641	634	670	686	677	-0.06	-0.50	0.03	0.32
Total ⁴	1213	1192	1204	1192	1192	1217	1256	1260	-0.31	-0.53	0.17	0.10
Europe												
Crude	336	308	301	318	319	282	305	297	0.03	-0.23	0.13	-0.03
Gasoline	133	132	135	129	132	128	137	135	0.10	0.09	-0.07	-0.04
Middle Distillate	251	271	275	268	260	248	233	270	0.00	-0.38	0.14	0.29
Residual Fuel Oil	105	109	106	105	102	104	101	100	-0.08	0.02	0.05	0.05
Total Products ³	578	602	605	593	585	566	556	592	0.06	-0.31	0.11	0.36
Total ⁴	970	965	961	969	961	908	920	941	0.04	-0.54	0.30	0.29
Pacific												
Crude	180	164	170	170	174	158	165	153	0.07	-0.04	0.24	-0.06
Gasoline	28	27	28	29	28	24	25	26	0.00	0.03	-0.01	0.00
Middle Distillate	69	75	77	80	76	79	80	86	-0.13	-0.19	0.07	0.16
Residual Fuel Oil	18	16	15	15	16	16	18	16	0.00	0.01	0.00	-0.03
Total Products ³	169	180	181	183	179	178	181	187	-0.19	-0.17	0.03	0.22
Total ⁴	434	429	435	436	436	418	436	426	-0.15	-0.16	0.24	0.17
Total												
Crude	914	850	857	877	892	828	874	864	0.11	-0.27	0.42	-0.37
Gasoline	389	373	382	375	379	385	403	399	0.24	0.12	-0.19	-0.11
Middle Distillate	518	549	558	553	548	549	532	583	-0.07	-1.00	0.15	0.69
Residual Fuel Oil	169	172	170	167	164	175	176	167	-0.11	-0.01	0.04	0.07
Total Products ³	1397	1426	1438	1417	1398	1413	1423	1456	-0.19	-0.98	0.17	0.90
Total ⁴	2617	2586	2601	2598	2589	2543	2612	2628	-0.43	-1.23	0.71	0.56

OECD GOVERNMENT-CONTROLLED STOCKS⁵ AND QUARTERLY STOCK CHANGES

	RECENT MONTHLY STOCKS ² in Million Barrels					PRIOR YEARS' STOCKS ² in Million Barrels			STOCK CHANGES ³ in mb/d			
	JUL95	AUG95	SEP95*	OCT95*	NOV95*	NOV92	NOV93	NOV94	Q494	Q195	Q295	Q395
	North America											
Crude	592	592	592	592	592	574	587	592	0.00	0.00	0.00	0.00
Europe												
Crude	129	129	129	129	129	130	130	130	0.00	0.00	-0.01	0.00
Products	123	123	122	122	122	126	128	126	0.01	0.00	-0.06	0.01
Pacific												
Crude	284	290	293	296	298	235	253	274	0.10	0.08	0.00	0.10
Total												
Crude	1004	1010	1013	1017	1019	939	971	996	0.10	0.08	-0.01	0.10
Products	123	123	122	122	122	126	128	126	0.01	0.00	-0.06	0.00
Total ⁴	1127	1133	1136	1139	1141	1065	1099	1122	0.11	0.08	-0.07	0.11

* Estimated

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 Closing Stock levels.

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

4 Total includes NGLs, 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 ¹ ON LAND IN SELECTED OECD COUNTRIES
(million barrels)

	June			July			August			September			October		
	1994	1995	%	1994	1995	%	1994	1995	%	1994	1995	%	1994	1995	%
United States															
Crude	327.9	327.2	-0.2	332.5	314.4	-5.5	328.5	306.7	-6.6	335.3	304.9	-9.1	343.2	316.7	-7.7
Motor Gasoline	211.6	204.9	-3.2	207.6	207.0	-0.3	202.1	193.1	-4.5	205.1	198.6	-3.1	200.9	198.2	-1.3
Middle Distillate	164.6	158.7	-3.6	181.4	171.4	-5.5	187.8	175.1	-6.7	196.9	178.5	-9.4	197.2	180.8	-8.3
Residual Fuel Oil	39.4	36.1	-8.5	39.8	36.9	-7.4	41.0	37.8	-7.9	44.5	39.7	-10.8	43.1	41.9	-2.7
Other Products	146.3	148.0	1.1	151.8	158.1	4.2	153.6	162.5	5.8	153.6	159.4	3.7	145.3	154.3	6.2
Total Products	561.9	547.6	-2.5	580.7	573.5	-1.2	584.5	568.5	-2.7	600.1	576.2	-4.0	586.4	575.2	-1.9
Other ²	142.6	142.0	-0.5	149.4	143.6	-3.9	154.7	146.4	-5.4	156.4	145.3	-7.1	151.2	146.4	-3.2
Total	1032.5	1016.8	-1.5	1062.7	1031.4	-2.9	1067.7	1021.6	-4.3	1091.8	1026.4	-6.0	1080.9	1038.3	-3.9
Japan															
Crude	149.0	159.4	7.0	142.4	163.0	14.5	134.3	149.9	11.6	135.3	150.7	11.4	137.3	151.7	10.5
Motor Gasoline	17.8	18.9	6.0	16.5	17.4	5.7	16.6	18.0	7.9	17.0	18.8	11.1	17.5	19.8	13.0
Middle Distillate	56.8	54.7	-3.7	61.6	59.3	-3.7	69.8	65.2	-6.6	75.6	67.6	-10.5	78.4	70.2	-10.5
Residual Fuel Oil	10.8	14.5	34.0	11.0	15.0	36.5	12.6	13.2	4.5	13.0	12.4	-4.7	12.9	12.5	-3.3
Other Products	56.1	47.8	-14.8	55.9	49.1	-12.2	58.4	56.5	-3.2	58.5	55.5	-5.2	57.3	55.1	-3.9
Total Products	141.5	135.8	-4.0	144.9	140.8	-2.8	157.5	152.9	-2.9	164.0	154.3	-5.9	166.2	157.5	-5.2
Other ²	74.3	77.4	4.1	71.2	79.1	11.1	75.7	78.4	3.6	79.6	78.2	-1.8	79.5	75.9	-4.5
Total	364.7	372.6	2.2	358.6	382.9	6.8	367.5	381.2	3.7	379.0	383.2	1.1	383.0	385.2	0.5
Germany															
Crude	27.7	23.0	-16.9	28.6	25.4	-11.3	27.2	24.4	-10.4	26.0	21.1	-19.0	26.9	25.4	-5.6
Motor Gasoline	16.5	16.2	-2.3	16.5	16.3	-0.8	16.1	16.8	4.2	15.4	17.4	13.1	15.6	15.1	-3.4
Middle Distillate	26.0	25.4	-2.5	30.4	25.9	-14.5	29.2	26.6	-9.1	26.9	27.3	1.6	28.5	29.2	2.2
Residual Fuel Oil	9.2	10.8	17.9	9.5	11.2	17.0	9.7	10.8	11.3	9.7	10.3	6.4	9.1	10.1	10.7
Other Products	11.3	11.8	4.5	11.7	12.0	2.1	12.2	11.9	-2.1	11.8	12.0	1.4	11.9	11.6	-2.1
Total Products	63.0	64.1	1.8	68.1	65.4	-3.9	67.2	66.1	-1.7	63.9	67.1	5.1	65.1	66.0	1.3
Other ²	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
Total	90.6	87.1	-3.9	96.7	90.8	-6.1	94.4	90.5	-4.2	89.9	88.2	-1.9	92.0	91.3	-0.7
Italy															
Crude	42.1	42.7	1.3	39.2	45.8	16.8	42.7	45.8	7.3	41.8	39.7	-5.0	41.4	45.4	9.6
Motor Gasoline	18.8	22.2	18.5	21.0	21.5	2.4	20.0	19.6	-2.0	20.2	19.6	-3.1	20.5	19.5	-5.2
Middle Distillate	34.7	36.0	3.8	33.9	35.2	3.6	36.4	36.4	0	34.7	36.9	6.2	33.5	34.5	2.8
Residual Fuel Oil	21.6	24.3	12.7	23.9	24.4	2.2	23.0	26.6	15.8	22.0	23.4	6.4	22.7	23.5	3.3
Other Products	7.2	7.4	2.9	7.6	8.7	14.5	7.8	9.5	21.7	7.5	9.4	25.2	7.8	9.5	21.9
Total Products	82.2	89.9	9.4	86.4	89.8	3.9	87.2	92.1	5.6	84.4	89.2	5.7	84.5	86.9	2.7
Other ²	6.6	5.6	-15.1	6.1	5.4	-11.4	6.7	5.2	-22.5	7.6	4.6	-38.6	8.1	5.3	-34.4
Total	130.8	138.1	5.6	131.8	141.0	7.0	136.6	143.2	4.8	133.7	133.5	-0.1	134.1	137.6	2.6
France															
Crude	47.4	41.0	-13.4	43.3	47.2	8.9	43.2	38.0	-12.0	40.2	39.2	-2.6	40.4	39.5	-2.3
Motor Gasoline	24.6	26.8	8.8	23.2	21.4	-7.8	23.4	21.2	-9.2	23.0	22.2	-3.5	23.2	21.1	-9.2
Middle Distillate	51.8	57.8	11.6	52.6	52.1	-1.1	54.9	58.8	7.1	55.2	59.4	7.5	57.9	58.1	0.2
Residual Fuel Oil	7.6	7.8	2.2	8.7	8.4	-3.5	9.2	9.4	3.0	8.4	8.6	2.6	9.2	8.6	-6.2
Other Products	7.7	8.9	16.2	8.3	8.5	1.9	9.6	9.3	-3.2	9.1	9.4	2.4	9.8	11.0	12.5
Total Products	91.6	101.2	10.5	92.9	90.3	-2.7	97.0	98.7	1.8	95.8	99.6	3.9	100.1	98.8	-1.4
Other ²	12.0	13.4	11.6	13.2	13.3	1.0	13.7	13.1	-4.3	12.8	13.2	3.5	13.0	13.3	2.4
Total	151.0	155.7	3.1	149.4	150.8	1.0	153.9	149.8	-2.6	148.8	152.0	2.1	153.6	151.6	-1.3
United Kingdom															
Crude	34.7	26.5	-23.6	36.6	33.7	-7.9	38.9	30.9	-20.7	38.0	32.3	-15.1	33.5	32.3	-3.5
Motor Gasoline	16.8	15.1	-10.2	15.8	15.1	-4.7	15.6	15.9	1.8	15.4	15.8	2.8	17.0	16.1	-4.8
Middle Distillate	19.9	18.1	-9.3	20.3	18.6	-8.4	18.9	19.2	1.7	18.9	19.1	0.9	19.9	19.1	-3.8
Residual Fuel Oil	6.6	8.5	29.3	7.7	9.2	20.4	7.8	9.8	26.2	7.2	8.9	22.8	6.7	8.1	20.6
Other Products	11.3	12.1	6.9	11.5	12.8	11.1	11.8	12.2	3.0	11.3	12.9	13.9	11.2	13.1	16.5
Total Products	54.7	53.8	-1.6	55.3	55.7	0.7	54.1	57.1	5.5	52.8	56.6	7.2	54.8	56.5	3.0
Other ²	15.7	17.1	9.4	15.2	15.8	4.4	16.8	16.1	-4.4	17.0	16.0	-5.6	15.7	16.0	2.1
Total	105.1	97.5	-7.2	107.0	105.2	-1.7	109.8	104.0	-5.3	107.7	104.9	-2.7	104.0	104.8	0.8
Canada															
Crude	60.5	75.3	24.4	61.8	74.5	20.6	57.1	62.4	9.3	61.4	72.1	17.5	61.5	72.1	17.2
Motor Gasoline	18.0	19.7	9.9	18.0	20.3	12.6	17.2	19.3	12.0	16.8	19.0	13.0	16.9	19.0	12.6
Middle Distillate	18.9	21.9	16.1	22.4	22.9	2.5	22.6	23.7	4.8	21.6	23.7	9.6	22.6	23.7	4.8
Residual Fuel Oil	4.1	4.7	15.6	4.1	5.2	26.2	3.7	5.2	39.8	4.0	5.2	28.3	3.5	5.2	47.1
Other Products	17.6	18.6	5.3	18.7	18.3	-1.7	17.7	17.7	0.1	17.2	17.7	3.2	18.5	17.7	-4.3
Total Products	58.6	65.0	10.9	63.2	66.8	5.7	61.2	65.9	7.6	59.6	65.6	10.0	61.5	65.6	6.6
Other ²	15.4	14.2	-7.2	17.7	16.4	-7.2	19.5	18.6	-4.6	19.2	16.4	-14.6	18.9	16.4	-13.1
Total	134.5	154.5	14.9	142.7	157.7	10.5	137.9	147.0	6.6	140.2	154.1	9.9	141.9	154.1	8.6

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 NGLs, refinery feedstocks, additives/oxygenates and other hydrocarbons.

Table 7
TOTAL STOCKS ON LAND IN OECD COUNTRIES
(millions of barrels¹ and 'days'²)

	End September 1994		End December 1994		End March 1995		End June 1995		End September 1995 ^{3 4}	
	Stock ¹ Level	Days Fwd ² Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand
Canada	140.2	78	142.2	80	147.6	85	154.5	84	154.1	-
United States	1683.5	95	1652.8	94	1599.9	91	1608.5	91	1618.0	-
NORTH AMERICA	1847.5	94	1818.6	93	1771.1	91	1786.8	90	1795.8	88
Australia	37.8	47	34.6	43	36.8	45	38.1	47	42.7	-
Japan	645.8	108	644.5	101	636.0	122	656.2	123	675.8	-
New Zealand	9.2	75	8.9	65	8.4	60	8.9	61	9.4	-
PACIFIC	692.7	100	688.0	94	681.2	110	703.2	111	727.9	105
Austria	17.5	73	16.8	67	17.0	72	17.0	70	17.0	-
Belgium	28.0	54	29.0	54	27.1	58	26.7	58	29.7	-
Denmark	25.4	118	25.6	114	25.3	116	25.7	119	27.4	-
Finland	25.1	113	26.3	119	26.3	121	26.3	120	26.3	-
France	153.9	82	153.5	79	147.5	81	161.2	86	157.6	-
Germany	307.7	107	314.1	108	306.9	106	303.1	105	303.4	-
Greece	23.9	62	20.2	60	22.9	70	24.1	69	22.6	-
Ireland	6.9	60	7.1	56	7.1	60	6.7	61	7.8	-
Italy	139.5	68	142.9	72	140.5	77	144.0	79	139.4	-
Luxembourg	1.0	25	1.0	24	0.9	24	0.9	27	0.9	-
Netherlands	128.1	166	121.9	157	107.3	134	106.8	138	116.3	-
Norway	40.9	210	45.7	244	40.7	208	42.2	231	45.1	-
Portugal	17.6	62	19.6	73	19.3	66	18.7	61	18.7	-
Spain	87.9	77	81.7	72	79.5	69	86.2	79	92.3	-
Sweden	35.4	96	35.6	99	29.8	94	31.7	104	32.8	-
Switzerland	24.7	81	22.7	96	23.1	87	28.3	103	28.9	-
Turkey	31.5	58	34.8	61	37.3	66	38.3	59	42.0	-
United Kingdom	107.7	57	109.0	58	100.1	56	97.5	55	104.9	-
EUROPE⁵	1202.6	86	1207.4	86	1158.3	86	1185.4	87	1212.9	84
Total	3742.8	92	3714.0	91	3610.7	92	3675.4	93	3736.6	90
DAYS OF IEA NET IMPORTS⁶	-	139	-	138	-	130	-	132	-	-

- 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 1995 stock level based on preliminary data.
4 End September 1995 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 ¹ Companies		Total	Government ¹ Companies	
		controlled			controlled	
		Millions of Barrels			Days of Fwd. Demand ²	
Q392	3617	1054	2563	91	26	64
Q492	3570	1071	2500	90	27	63
Q193	3554	1085	2469	95	29	66
Q293	3639	1089	2550	94	28	66
Q393	3709	1092	2617	92	27	65
Q493	3644	1101	2542	89	27	62
Q194	3527	1110	2417	91	29	62
Q294	3648	1111	2537	92	28	64
Q394	3743	1114	2628	92	27	65
Q494	3714	1125	2589	91	27	63
Q195	3611	1132	2479	92	29	63
Q295	3675	1126	2549	93	28	64
Q395	3737	1136	2601	90	27	62

- 1 Includes government-owned stocks and entity stocks held for emergency purposes.
2 Days of forward demand calculated using actual demand except in September 1995 (when latest forecast is used).

Table 8
AVERAGE IEA CIF CRUDE COST AND SPOT CRUDE AND PRODUCT PRICES

	1992	1993	1994	3Q94	4Q94	1Q95	2Q95	3Q95	Jul95	Aug95	Sep95	Oct95	Nov95	Dec95
Crude Oil Prices														
IEA CIF Average Import	18.49	16.37	15.65	16.76	16.59	17.15	18.31	16.41	16.43	16.19	16.61	16.42*	16.50*	17.60*
FOB Spot														
Brent (Dated)	19.30	17.00	15.80	16.67	16.53	16.90	18.10	16.18	15.78	16.05	16.70	16.12	16.82	17.80
WTI (1st month)	20.54	18.44	17.19	18.46	17.66	18.36	19.33	17.83	17.28	17.99	18.21	17.44	18.00	18.92
Dubai (1st month)	17.18	14.93	14.75	15.83	15.60	16.31	16.96	15.31	15.00	15.43	15.50	14.86	15.68	16.95
Product Prices¹														
Rotterdam														
Premium 0.15 g/l	25.31	22.45	20.18	22.36	20.02	20.04	23.65	20.81	20.09	20.95	21.38	19.90	21.36	20.23
Regular Unleaded	23.75	20.70	18.65	20.15	18.69	18.53	21.96	19.38	18.62	19.58	19.93	18.68	20.22	18.52
Naphtha	20.93	18.47	17.30	18.05	19.10	18.43	19.61	17.43	16.83	17.38	18.09	16.91	16.90	17.59
Jet/Kerosene	24.90	23.37	20.95	21.12	21.43	20.76	21.71	21.57	21.08	21.44	22.18	21.21	22.04	23.89
Gasoil	23.76	22.28	19.80	20.29	19.74	19.35	21.02	20.49	19.95	20.43	21.07	19.90	20.77	22.45
Fuel Oil 1.0%S	14.26	13.50	14.00	14.22	16.21	16.96	16.99	13.69	14.05	13.04	13.97	14.38	14.80	16.99
Fuel Oil 3.5%S	12.90	10.22	13.01	13.34	14.80	16.39	15.76	12.97	12.41	12.90	13.61	13.19	13.36	15.93
Gross Product Worth ²	22.11	20.27	18.46	19.35	18.82	18.71	20.56	18.96	18.51	18.88	19.48	18.53	19.49	20.25
NY Harbour														
Super Unleaded 93	26.86	23.69	23.65	25.85	23.32	23.07	27.67	24.73	23.42	24.72	26.04	22.03	22.96	26.36
Regular Unleaded 87	24.57	21.58	20.54	21.92	20.90	21.34	25.29	22.38	21.38	22.34	23.43	20.50	21.17	22.19
Jet/Kerosene	24.88	23.33	22.20	21.86	22.12	20.13	21.76	21.78	20.67	21.92	22.75	22.23	23.02	24.86
No.2 (Heating Oil)	24.00	22.04	20.68	20.57	20.45	19.79	20.61	20.41	19.57	20.62	21.05	20.51	21.75	23.98
Fuel Oil 1.0%S	15.31	14.63	15.05	15.13	15.44	16.25	17.03	14.71	15.25	14.25	14.63	14.67	15.63	18.42
Fuel Oil 3.0%S	12.34	11.21	12.25	13.33	13.72	15.12	16.10	12.82	12.54	12.75	13.17	13.06	13.31	15.18
Gross Product Worth ³	22.30	20.16	19.04	20.00	18.73	18.99	22.27	19.28	18.71	19.46	19.66	18.48	19.03	20.16
Singapore														
Gasoline ⁴	26.56	24.01	21.10	22.19	20.17	21.64	23.05	22.30	23.92	22.16	20.82	20.33	22.26	21.83
Naphtha	20.24	17.22	16.34	17.61	18.37	18.25	18.96	16.69	17.30	16.43	16.34	15.81	15.94	17.03
Jet/Kerosene	25.39	24.42	21.74	21.16	23.36	22.30	22.35	21.13	21.04	20.79	21.56	22.80	24.71	27.80
Gasoil	25.12	24.02	20.87	20.53	21.73	21.24	22.47	20.63	21.06	20.34	20.50	20.45	21.92	23.86
LSWR (0.3%S)	14.72	14.90	13.58	16.89	13.33	14.09	15.43	13.80	13.22	13.57	14.62	14.94	15.29	16.68
HSFO (3.5%S 180cst)	13.44	11.83	13.17	14.55	14.23	15.81	15.81	13.14	13.24	13.26	12.92	13.78	14.91	16.85
Gross Product Worth ⁵	18.45	17.17	16.29	17.23	17.22	17.49	17.98	16.30	16.55	16.18	16.18	16.62	17.62	19.49

* = 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 Changed from regular 0.15 g/l to unleaded 95 as of 2 February 1995.

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

Table 9
END USER PRICES FOR PETROLEUM PRODUCTS¹
December 1995

	National Currency						US Dollars					
	Price	Tax	%ch Prev.Month		%ch Year Ago		Price	Excl.Tax	%ch Prev.Month		%ch Year Ago	
			Price	Excl.Tax	Price	Excl.Tax	Price	Excl.Tax	Price	Excl.Tax	Price	Excl.Tax
GASOLINE² Price per Litre												
France	5.910	4.874	0.2	0.8	5.9	-0.9	1.191	0.209	-1.3	-0.5	15.6	8.3
Germany	1.502	1.176	0.8	3.2	1.6	6.9	1.039	0.226	-1.2	1.3	10.5	16.5
Italy	1850.0	1406.9	-1.1	-3.7	9.1	9.1	1.160	0.278	-1.1	-3.5	11.8	11.6
Spain	111.5	78.0	-1.1	-3.0	3.0	-0.4	0.910	0.274	-1.7	-3.5	11.2	7.9
UK	0.622	0.484	7.6	5.3	11.5	-4.2	0.958	0.212	6.0	3.4	10.2	-5.4
Japan	112	57	0.0	0.0	-4.3	-8.3	1.102	0.541	0.3	0.2	-5.7	-9.7
Canada	0.538	0.280	3.9	7.5	4.1	1.2	0.395	0.189	3.1	6.2	6.2	2.7
USA ³	0.288	0.101	-0.3	-0.5	-4.6	-7.4	0.288	0.187	-0.3	-0.5	-4.6	-7.4
AUTOMOTIVE DIESEL⁴ Price per Litre												
France	3.248	2.158	0.9	2.8	1.1	0.0	0.654	0.219	-0.6	1.4	10.3	9.0
Germany	0.982	0.620	2.4	6.8	2.4	6.8	0.679	0.250	0.3	4.6	11.3	15.7
Italy	1174.79	747.47	1.4	3.9	12.5	16.0	0.737	0.268	1.4	3.9	15.3	19.1
Spain	71.68	41.70	1.2	2.9	2.5	1.3	0.585	0.245	0.5	2.5	10.8	9.9
UK	0.483	0.343	9.0	7.7	13.6	-5.4	0.744	0.216	7.4	5.9	12.4	-6.5
Japan	74	34	0.0	0.0	-3.9	-7.0	0.728	0.393	0.3	0.5	-5.2	-8.2
Canada	0.508	0.212	-0.2	-0.3	-1.0	-1.7	0.373	0.217	-0.8	-0.9	1.1	0.5
USA	..	..	..	..	..	..	..	..	..	..	..	..
DOMESTIC HEATING OIL Price per 1000 Litres												
France	2030.0	842.1	3.0	4.4	1.6	-0.8	409.0	239.3	1.5	2.8	10.9	8.3
Germany	469.0	141.2	16.7	21.6	15.9	20.6	324.3	226.7	14.3	19.2	26.0	31.1
Italy	1332000	960140	1.3	4.0	9.0	6.0	835.4	233.2	1.3	4.0	11.7	8.6
Spain	40104	17732	0.4	0.6	-1.2	-4.7	327.3	182.6	-0.3	-0.1	6.7	2.9
UK	145.00	34.04	5.3	4.6	-1.2	-3.1	223.4	170.9	3.8	3.1	-2.3	-4.1
Japan ⁵	42333	1233	0.0	0.0	-5.1	-5.1	416.5	404.3	0.2	0.2	-6.4	-6.4
Canada	372.0	31.0	0.0	0.0	-1.1	-0.9	273.2	250.5	-0.6	-0.6	1.0	1.2
USA ⁶	..	..	..	..	..	..	..	..	..	..	..	..
HFO FOR INDUSTRY^{4, 7} Price per Metric Ton												
France	749.0	154.2	12.0	15.5	2.3	2.5	150.9	119.8	10.2	13.8	11.6	11.9
Germany	202.0	30.0	4.1	4.9	-12.2	-14.0	139.7	118.9	2.0	2.8	-4.5	-6.5
Italy	279000	45000	7.3	8.8	1.4	1.6	175.0	146.8	7.3	8.8	3.9	4.2
Spain	19666	2080	6.1	6.9	-1.3	-1.9	160.5	143.5	5.4	6.2	6.5	5.9
UK	88.32	18.20	3.6	2.4	-1.2	-3.5	136.0	108.0	2.2	0.9	-2.3	-4.6
Japan	17347	505	0.0	0.0	0.0	0.0	170.7	165.7	0.2	0.2	-1.4	-1.4
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 November 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 (© 1995 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. The factors used to convert European demand data from metric tons to barrels are LPG: 11.60, Naphtha: 8.90, Gasoline: 8.45, Jet/Kerosene: 7.88, Gasoil: 7.46, Residual Fuel Oil: 6.45.

Other Demand and Supply Data

Data for non-OECD oil supply and demand are not formally submitted in questionnaire format to the IEA but are based on information obtained from governmental, intergovernmental and industry sources. In order to complete aggregates and balances, the Secretariat has estimated certain data that are not otherwise available. There is consequently a greater margin for error than in OECD statistics. Demand data for the former USSR for 1993 onwards 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. Unreported lighter natural gas liquids are not included in supply or demand.

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.