

8 July 1996

HIGHLIGHTS

- For 2Q96, global demand has been revised downwards by 0.1 mb/d from last month's Report to 69.7 mb/d, primarily due to lower FSU apparent demand. Following growth in demand in 1Q96 of 1.2 mb/d, OECD demand growth in 2Q96 is estimated to have moderated to 0.7 mb/d. OECD demand in 2Q96 is unchanged at 39.8 mb/d, with somewhat higher North American demand offset by lower European demand.
- In 1996, OECD and non-OECD demand remain essentially unchanged at 41.1 mb/d and 30.5 mb/d respectively but, due to rounding, global demand has been revised upwards by 0.1 mb/d to 71.7 mb/d. Global incremental demand remains at 1.7 mb/d.
- World oil supply rebounded strongly in June to over 72 mb/d from May levels that were depressed by the Norwegian oil workers' strike and several smaller, temporary supply-constraining events. OPEC supply rose marginally, averaging 25.6 mb/d (adjusted for Gabon's departure), while non-OPEC supplies increased by 0.6 mb/d to 43.8 mb/d, again adjusted for Gabon's inclusion in non-OPEC Africa.
- In response to comments received regarding the bullish 4Q96 forecast detailed in last month's Report, some small modifications have been made, but expected growth in non-OPEC supply in the second half of the year remains strong.
- Net FSU exports continued at relatively high levels in June, reaching nearly 3 mb/d, despite low water levels in the Volga which are thought to have limited fuel oil exports.
- Primarily as a result of small decreases in projections of non-OPEC supply, the call on OPEC crude plus stock change has been increased in 3Q96 and 4Q96 (allowing for the withdrawal of Gabon) by 0.2 mb/d and 0.1 mb/d to 23.8 mb/d and 25.3 mb/d respectively.
- In May, OECD industry stocks are estimated to have increased by 1.2 mb/d to end the month 92 mb or 2.3 days lower than a year before. However, they were only 31 mb below the level at the end of 1995 and thus an average stockbuild of only 0.15 mb/d would be needed during the June-December period for stocks to return to year-earlier levels by the end of 1996. At the end of May, the year-on-year decreases in North American and Pacific industry stocks were 81 mb and 15 mb respectively, while European stocks were little changed. Total industry crude oil and gasoline stocks were close to previous years' levels.
- Brent and WTI traded during most of June within a narrow price range at a lower average level than in May, amid uncertainty about the direction of supply/demand fundamentals. However, WTI prices spiked again prior to the expiry of the front month futures contract on the NYMEX and crude prices increased noticeably in the last trading days of the month. Prices of sour crudes in the Mediterranean continued to decrease relative to those of Brent, whereas average prices for Dubai and sweet Asian benchmark crudes rose both in absolute terms and relative to Brent.
- Average prices for all major products decreased in June in all markets, declining by more than those of crude, with the steepest decline occurring in gasoline prices. In the final trading days of the month, spot gasoline and middle distillate prices firmed, in particular in the Atlantic Basin.
- Refining margins decreased in all major refining centres, consistent with product prices decreasing by more than those of crude. The steepest decline occurred in Singapore, where the Dubai hydroskimming margin became negative for the first time in 1996.
- In May, the aggregate refinery throughputs in OECD countries decreased by 0.25 mb/d to 32.2 mb/d from the revised April level, with increases in Europe, North America and Australasia more than offset by a sharp decrease in Japan. Preliminary indications for June suggest that throughputs were higher in the US and lower in Europe and Japan.

OIL MARKET REPORT CONTACTS

To help you to find the right person to talk to if you have any comments or questions regarding the contents of the monthly Oil Market Report, we list below the names, telephone numbers, e-mail addresses and responsibilities of the members of our team. We particularly welcome comments when you feel we have misrepresented something or if you disagree with a projection that we have made, as the comments we receive each month contribute to improving the quality of the Report.

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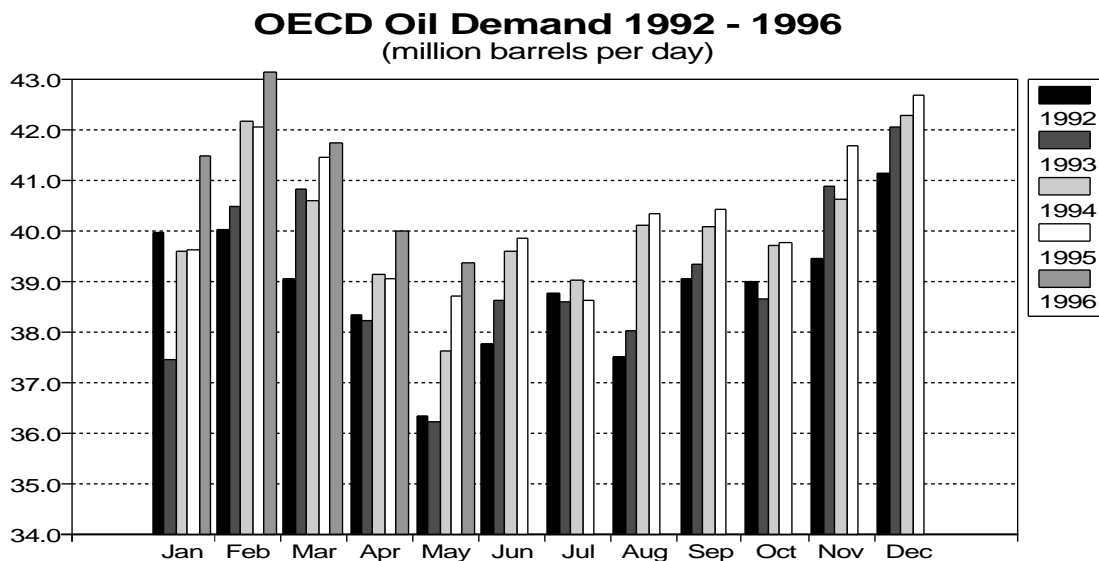
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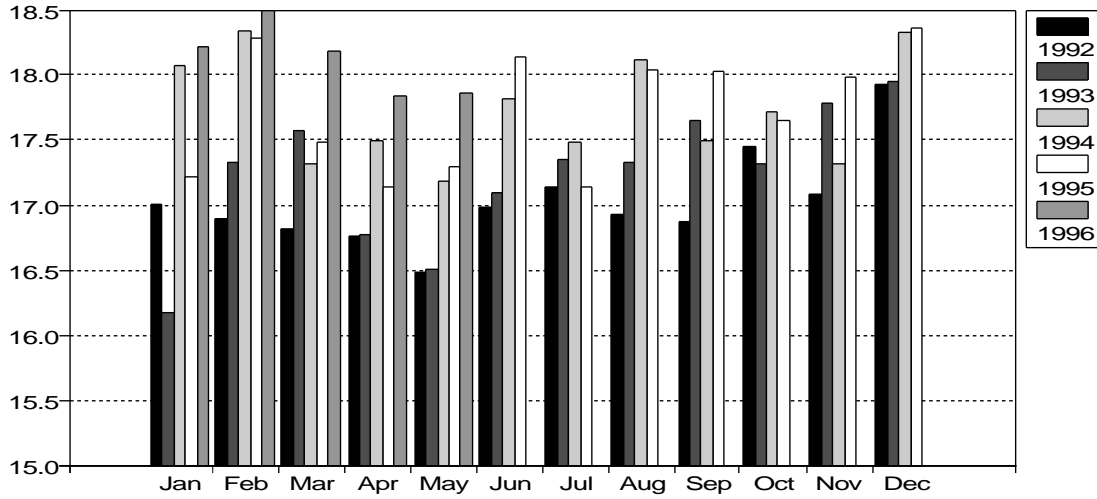
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Summary

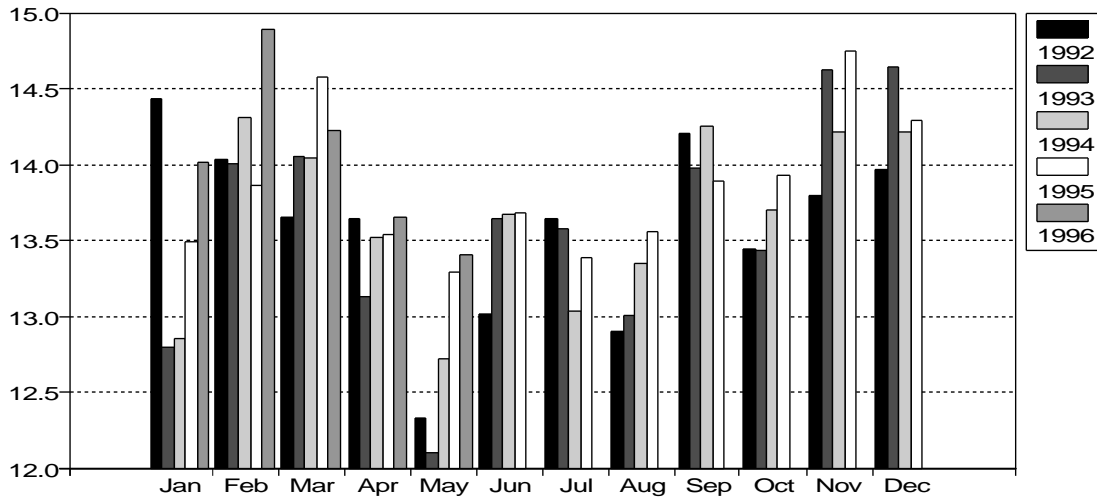
- In May, US oil demand is estimated to have increased over May 1995 by 3.3%, mainly due to strong growth in gasoil and “other product” deliveries. Gasoline deliveries were essentially unchanged. In Europe, oil use in the four largest oil-consuming countries decreased by 0.5%, with declines in most major products except gasoil and jet/kerosene. In Japan, oil demand remained almost unchanged, with weak petrochemical demand and declines in deliveries of residual fuel oil and crude to the power generation sector offsetting demand growth for other products.
- Global demand in 1Q96 has been revised upwards by 0.1 mb/d from last month’s Report to 72.8 mb/d. OECD Europe oil demand in 1Q96 has been revised upwards by 0.1 mb/d to 14.4 mb/d, in part due to stronger-than-expected demand in Greece and Portugal in March. Despite the European adjustment and minor upward revisions to Japanese demand in February and March and to Canadian data in March, OECD demand in 1Q96 remains unchanged at 42.1 mb/d. Non-OECD demand has been revised upwards by 0.1 mb/d to 30.7 mb/d, reflecting adjustments to FSU and Other Asian demand.
- Global demand in 2Q96 has been revised downwards by 0.1 mb/d to 69.7 mb/d, primarily due to a reduction to FSU apparent demand. Following growth in demand in 1Q96 of 1.2 mb/d, OECD demand growth in 2Q96 is estimated to have moderated to 0.7 mb/d, unchanged from last month’s Report at 39.8 mb/d, with somewhat higher North American demand offset by lower European demand.
- Global demand in 1995 and 1996 remain essentially unchanged, but due to rounding, they have both been revised upwards by 0.1 mb/d to 70.0 mb/d and 71.7 mb/d respectively, leaving 1996 growth unchanged at 1.7 mb/d.



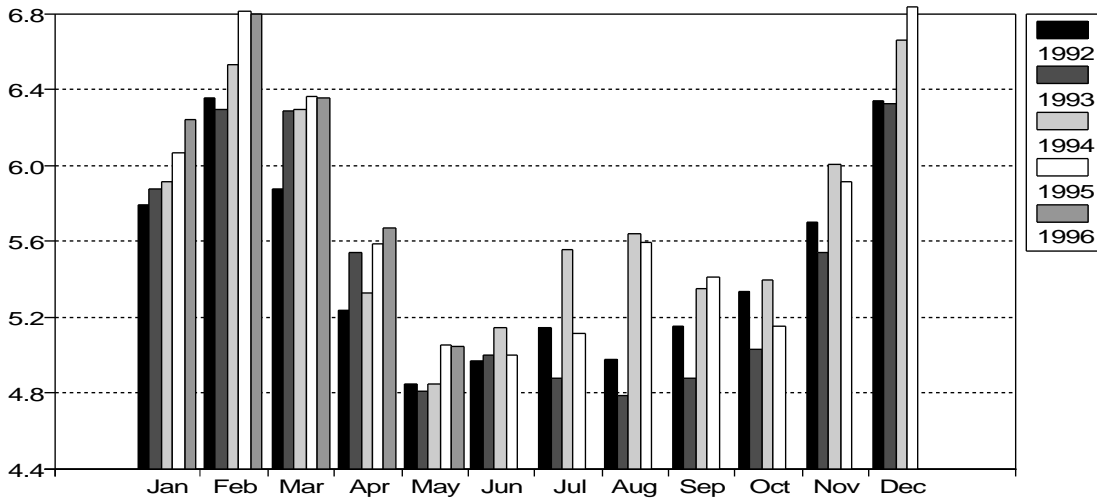
US Oil Demand 1992 - 1996 (million barrels per day)



European Oil Demand 1992 - 1996 (million barrels per day)



Japanese Oil Demand 1992 - 1996 (million barrels per day)



OECD

Demand in May 1996

Table 2 at the back of the Report shows total oil demand in March, while Table 3 gives demand in April for the seven largest OECD countries. The table below provides preliminary estimates for inland deliveries for those countries in May.

Preliminary Inland Deliveries - May 1996¹

	Motor Gasoline		Jet/Kerosene		Diesel		Other Gasoil		Residual Fuel Oil		Total Products ²	
	mb/d	% change	mb/d	% change	mb/d	% change	mb/d	% change	mb/d	% change	mb/d	% change
US ³	7.91	+0.2	1.48	+0.5	2.13	+6.7	0.92	+6.4	0.78	+2.1	17.81	+3.3
Canada	0.62	-0.3	0.09	+1.1	0.36	+1.7	0.06	-1.6	0.09	+6.8	1.45	+0.3
Japan	0.88	+2.2	0.36	+11.9	0.75	+3.3	0.40	+1.3	0.58	-2.4	4.65	-0.2
France	0.35	-3.4	0.11	+6.7	0.48	+2.0	0.21	-0.7	0.07	-7.9	1.69	-0.4
Germany	0.71	-3.5	0.13	-1.6	0.53	-6.9	0.71	+5.6	0.12	-11.9	2.71	-2.7
Italy	0.41	+2.5	0.06	+6.4	0.32	+1.7	0.07	-1.4	0.41	-6.2	1.65	-1.9
UK	0.53	+2.5	0.24	+10.8	0.30	+9.3	0.15	-0.2	0.12	+1.6	1.64	+4.7
<i>European Four</i>	2.01	-0.3	0.53	+6.3	1.63	+0.1	1.15	+3.1	0.72	-6.2	7.69	-0.5
Total	11.41	+0.2	2.46	+3.3	4.87	+3.2	2.53	+3.4	2.17	-1.8	31.60	+1.7

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

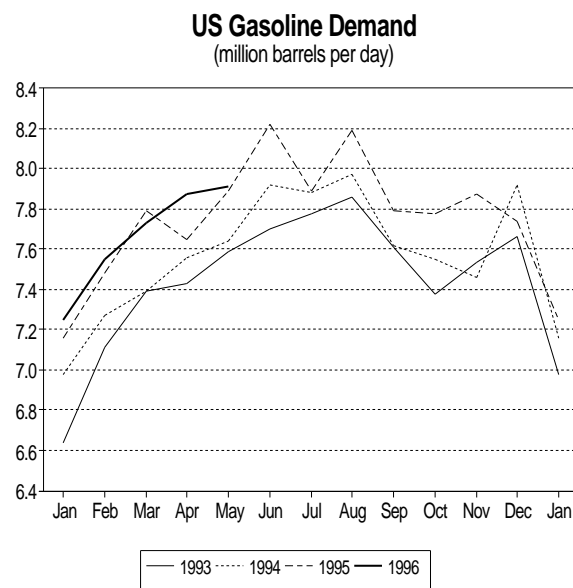
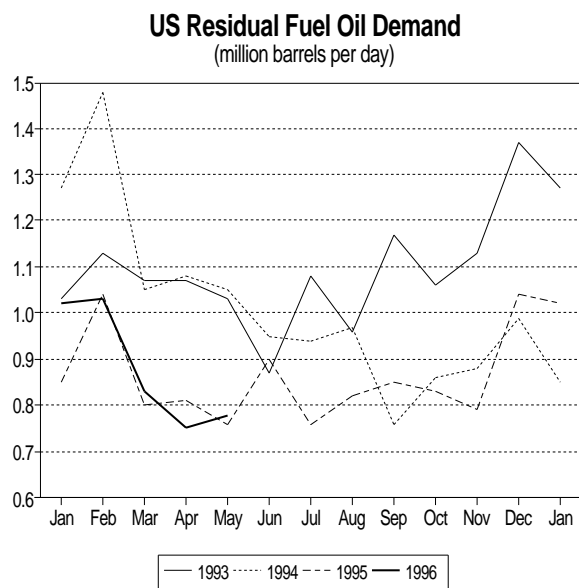
¹ excludes refinery fuel and bunkers (except US)

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

³ fifty states only - diesel is estimated from preliminary indications of low sulphur gasoil deliveries

Percentage change is calculated versus May 1995

In May, US deliveries increased by nearly 0.6 mb/d despite essentially unchanged gasoline demand, mainly due to strong demand for diesel, heating oil and “other products”. As retail prices for gasoline averaged 10.1% higher than a year earlier, it was perhaps surprising that gasoline deliveries did not decline. In addition, the fact that the Memorial Day weekend (traditionally considered being the start of the period of high travel) occurred later in the month than last year should have contributed to lower deliveries. While preliminary gasoline delivery data are often subject to significant revision, the latest data may indicate a potential for stronger demand growth that may be realised if gasoline prices continue to decline. Gasoil deliveries increased by 170 kb/d with diesel and heating oil demand increasing at similar rates. The growth in heating oil was partly attributable to the US experiencing 29% more heating degree days than in May 1995 (weighted on a heating oil basis).



Although manufacturing output is believed to have increased by about 3% in the year-to-date, which has led to increased transport demand for diesel, the 6.7% increase in diesel deliveries in May is greater than expected and may indicate that deliveries to wholesalers have exceeded actual consumption as stocks were rebuilt. Jet/kerosene demand increased, consistent with stronger economic growth and lower air fares, but growth has slowed in recent months as use of kerosene to improve cold properties of diesel and heating

oil has declined. Residual fuel oil deliveries increased, partly due to a 27% decline last May and to a narrowing of residual fuel oil's price premium to natural gas. In addition, anecdotal evidence suggests that a need to replenish low natural gas stocks led to the interruption of some natural gas deliveries to the power generation sector and to increased fuel switching by the utilities from natural gas to residual fuel oil.

In **Europe**, oil demand in the four largest oil-consuming countries decreased by 0.5% in April, with declines in France, Germany and Italy only partially offset by strong demand growth in the UK. Residual fuel oil deliveries were particularly weak, reflecting a reduction in deliveries to ENEL. Weak transport fuel demand in Germany was counterbalanced by strong deliveries in the UK. Heating oil deliveries in Germany increased as consumers are believed to have built stocks, despite the possibility of lower prices later in the year.

In **France**, gasoline deliveries once more declined, following a temporary reversal in April of a long-established downward trend in the face of growing dieselisation. Diesel demand increased for the third successive month but by less than the year-to-date average of 3.9%. Residual fuel oil deliveries fell by 7.9%, compared with an increase of 16.1% in the year-to-date. Deliveries to the industrial sector decreased by 10.8%, while deliveries to the power generation sector increased for the sixth successive month, primarily due to a constraint on hydro output. In contrast to Germany, heating oil deliveries declined despite significantly more heating degree days than last year.

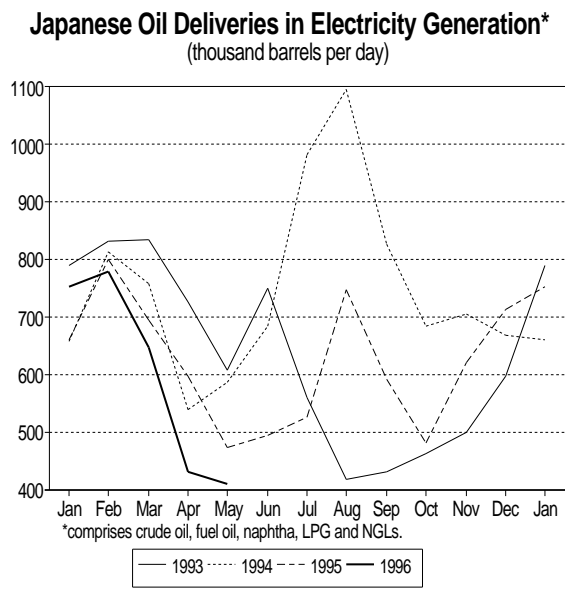
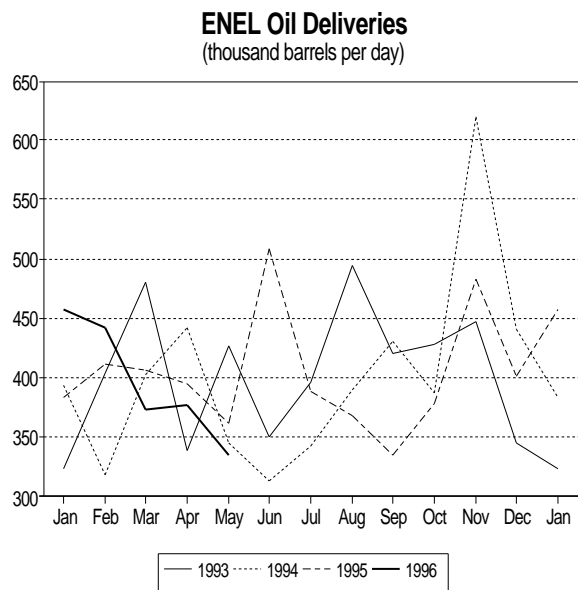
German demand decreased for the third successive month, with a significant increase in heating oil deliveries more than offset by declines for all other major products except LPG (which increased by 3.7%). The increase in heating oil deliveries is believed to have occurred despite lower consumption and contributed to a larger stockbuild than last year. Despite this higher stockbuild, consumer stocks continued to be lower than a year earlier, and it is calculated that increasing stocks to normal levels by the end of September would contribute an additional 0.1 mb/d to average deliveries over the June-September period. Motor gasoline and diesel deliveries declined by a combined 65 kb/d or 5.1%, greater than the year-to-date decrease of 1.9%. Residual fuel oil deliveries fell for the sixth successive month, reflecting ongoing substitution in the industrial sector, but the extent of the reduction was affected by particularly strong growth last year.

UK oil demand increased strongly for the second successive month, consistent with strong growth in the service sector, lower gasoline prices and increased disposable income from tax reductions and windfall receipts by customers from utility companies. Motor gasoline demand is particularly affected by increased disposable income, but the relationship between these two variables remains uncertain due to concerns about the quality of recent gasoline demand data. The quality and timeliness of gasoline import data are thought to have deteriorated since responsibility for collection of the data moved from Customs and Excise to the European Commission. Instead of recording trade at the border, the new system records trade via VAT receipts. This change occurred at a time when gasoline imports increased, primarily reflecting larger purchases by hypermarkets. Although an adjustment has been incorporated into the preliminary data, it is still possible that data for the early part of the year may be understated. Conversely, the data may be overstated in recent months since gasoline imports are believed to have declined due to lower requirements from hypermarkets resulting from increased price competition from established gasoline retailers.

Demand for diesel increased strongly, reflecting growth in the service sector and an increasing share of the car population that is fuelled by diesel. However, the rate of increase in diesel-fuelled cars' share of the car population may be slowing. In the year-to-date, diesel-fuelled car registrations as a proportion of total new registrations were some 18.6% compared with 21.5% in the equivalent period last year, possibly reflecting consumer concerns over particulate emissions. Jet/kerosene demand increased strongly, reflecting significantly colder weather than last year and increased aviation demand. The weaker currency than a year earlier has encouraged international tourism to the UK and the country has been the major beneficiary of increased European business travel through London to the rapidly expanding Asian economies. Despite the colder weather, LPG deliveries increased by only 1.8%, with increased use in the residential sector almost offset by lower use in the petrochemical sector. Strong residential demand led to higher LPG prices that encouraged feedstock switching in the petrochemical sector and contributed to a 9.9% increase in naphtha deliveries. Residual fuel oil deliveries increased but demand remains vulnerable to price competition from natural gas.

Italian oil demand decreased by 30 kb/d or 1.9%, with decreases in residual fuel oil and naphtha deliveries of 6.2% and 5.6% respectively more than offsetting gasoline and diesel demand growth. ENEL is reported to have reduced its purchase of residual fuel oil for the fourth successive month. Recent fuel oil use by ENEL is no longer being reported but with electricity consumption increasing by only 0.4% and electricity

imports and hydro-generation increasing by 3.0% and 8.2% respectively, consumption of fuel oil may have declined. Higher rainfall this year has contributed to a 10.5% increase in hydroelectric generation in the year-to-date and should contribute to higher hydro output in the rest of the year.



In **Japan**, oil demand remained essentially unchanged, with weak petrochemical demand and reductions in deliveries of residual fuel oil and crude to the power generation sector offsetting demand growth for other products. Deliveries of residual fuel oil and crude to the power utilities declined by 4% and 17% respectively, while consumption of residual fuel oil and crude oil for direct use by the power generation sector increased by 1% and 5% respectively, indicating a significant stockdraw. Significantly colder weather than normal contributed to a 3.9% increase in electricity demand, with incremental demand and a 15% decline in hydro output offset by 16% and 6% increases in coal and nuclear output respectively, in addition to the increased oil use. Power station stocks of crude and oil products were drawn down during the month and stocks ended some 7% lower than a year earlier. The cold weather also contributed to a 38 kb/d or 11.9% increase in jet/kerosene deliveries. Gasoline and diesel demand both increased, consistent with recent trends which reflect higher economic growth and lower retail prices (in May, retail gasoline prices were 5.3% lower than a year earlier). Petrochemical feedstock demand growth slowed with LPG and naphtha deliveries increasing by 5.5% and 1.0% respectively, reflecting particularly strong delivery growth last year.

Demand in 2Q96 and 1996

Following growth in demand in 1Q96 of 1.2 mb/d, demand growth in 2Q96 is estimated to have moderated to 0.7 mb/d. Total demand in 2Q96 is unchanged from last month's Report at 39.8 mb/d, an annual increase of 1.7%, with somewhat higher North American demand offset by lower European demand.

Second Quarter OECD Oil Demand by Region
(million barrels per day)

	2Q95	2Q96	Change	
			mb/d	%
North America	19.5	19.9	0.4	2.2
Europe	13.5	13.7	0.2	1.1
Pacific	6.2	6.3	0.1	1.3
OECD Total	39.2	39.8	0.7	1.7

North American demand has been revised upwards by 80 kb/d with a very large upward revision to the preliminary US demand data for April partly offset by weaker-than-expected US demand in June. However, due to rounding, the demand in 2Q96 remains unchanged at 19.9 mb/d. US demand in April

has been revised upwards by 640 kb/d, reflecting the difference between the preliminary data reported in last month's Report (taken from the US EIA's Weekly Petroleum Status Report) and the detailed review published more recently in the EIA's Petroleum Supply Monthly. Demand increased by 4.1% compared with the 0.5% originally reported. Demand for all oil product categories was revised upwards; the revisions included 145 kb/d and 300 kb/d upward adjustments to gasoline and "other products" demand respectively. Since the start of the year, the preliminary estimates of "other products" have been revised upwards consistently while other oil products, although often revised significantly, have not changed in one consistent direction and there appears to be no systematic bias to total demand.

According to preliminary demand data for the four weeks up to 21 June, US demand decreased by 0.5%, due to reductions for all products except kerosene and "other products". Residual fuel oil deliveries are reported to have declined by 20.0% or 170 kb/d while gasoline demand fell by 2.6% or 210 kb/d. Preliminary demand data for residual fuel oil are not supported by price movements in June when a reduction in residual fuel oil prices coincided with higher gas prices, the latter partly caused by delivery problems. Although residual fuel oil remained more expensive than natural gas, the continuing diversion of natural gas to stock replenishment was thought to have led to the interruption of gas supplies to some power utilities with interruptible gas contracts. Consequently, the preliminary residual fuel oil data are thought likely to be sensitive to upward revision. Weak gasoline deliveries are consistent with two less working days than last year and retail prices that were some 5.6% higher than a year earlier. However, the preliminary demand data for gasoline have been particularly subject to large revisions (in both directions) since the start of the year and in the absence of restated data for June, the estimate of North American demand in 2Q96 remains unchanged from last month's Report, although sensitive to upward revision.

North American demand in 1996 is projected to increase by 0.5 mb/d or 2.4% to 20.2 mb/d, unchanged from last month's Report. US and US Territories data for 1995 have been revised and this has led to minor adjustments to quarterly data. As the underlying trends in the growth of US demand in 1996 remain unchanged from last month's Report, an upward adjustment of just more than 30 kb/d in US demand in 3Q95 has led to a similar increase in 3Q96 which, due to rounding, has resulted in a 0.1 mb/d upward adjustment to North American demand in 3Q96.

European demand in 2Q96 has been revised downwards by less than 0.1 mb/d but remains unchanged from last month's Report at 13.7 mb/d. Considerable uncertainty remains about the extent of secondary/tertiary stock building in June and the impact of lower economic growth on overall demand. Demand data for April for the four leading oil-consuming countries have been revised downwards by 90 kb/d from the preliminary data shown in last month's Report. In addition, a selection of smaller oil-consuming countries experienced weaker-than-expected demand. In June, oil deliveries are likely to have been somewhat weak throughout Europe due to the fact that there were two less working days than last year. Heating oil prices were in or near contango in June, which may have encouraged further stock building by German consumers. Italian deliveries are expected to be weak, reflecting a significant increase in residual fuel oil deliveries to ENEL last June that coincided with the start of new contracts with refiners. Higher rainfall in Portugal, Spain and Italy compared with drought conditions experienced last year are likely to have led to higher hydroelectric generation and lower residual fuel oil use in the power generation sector in 2Q96. The projection of European demand in 1996 remains essentially unchanged from last month's Report at 14.1 mb/d, representing an annual increase of less than 0.3 mb/d or 1.8%.

Oil demand in 2Q96 in the **Pacific** region remains unchanged at 6.3 mb/d, an annual increase of less than 0.1 mb/d or 1.3%. Japanese demand in May was significantly weaker than projected, primarily due to lower-than-expected deliveries of crude and residual fuel oil to the power generation sector. Oil stocks at power utilities were drawn down in May and some increase in deliveries to utilities could occur in June, but deliveries to other sectors of the economy are likely to be dampened by the existence of two less working days. Despite an assumption of stronger economic growth in 1996, Japanese oil demand in 1996 is expected to be comparatively weak, mainly due to a decline in residual fuel oil and crude oil use in the power generation sector. However, the extent of this decline is highly dependent on the availability of water for hydro electricity production and cooling of nuclear facilities. Pacific Region demand in 1996 remains unchanged from last month's Report at 6.8 mb/d, an annual increase of 1.2% or 0.1 mb/d.

The 0.1 mb/d upward adjustment to North American demand in 3Q96 has led to a similar revision to OECD demand but total OECD demand in 1996 is essentially unchanged at 41.1 mb/d, representing an annual increase of 0.8 mb/d or 2.0%.

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	20.4	0.7	19.9	0.4	20.3 ^r	0.5	20.4	0.3	20.2	0.5
Europe	14.4 ^r	0.4	13.7	0.2	13.9	0.3	14.5	0.1	14.1	0.3
Pacific	7.4	0.1	6.3	0.1	6.4	0.1	7.0	0.1	6.8	0.1
Total	42.1	1.2	39.8	0.7	40.7^r	0.9	41.9	0.5	41.1	0.8

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

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 June 1996, are reproduced below. (The contributions of Mexico, the Czech Republic and Hungary to regional and total economic growth have been excluded so that the European and total OECD categories are similar to those currently used throughout the Oil Market Report). In the latest outlook, US economic growth has been revised downwards from 1H95 onwards by 0.5-0.9% due to a recalibration of the US data that reflects a change in the assumed contribution of each sector of the economy to total economic wealth. Because of the readjustment to the US data, an exact comparison of the data with the previous projections (see Report dated 12 January 1996) is difficult. However, allowing for a restatement of the latest US data on the previous basis, the estimate of economic growth in 1995 has been downgraded in all seven countries except Japan, with the estimate of total OECD growth rate only marginally revised downwards. Excluding the adjustment, US growth in 1995 would have been marginally lower than the estimate published in the January Report. Growth in 1996 has been reduced slightly in all four European countries and in Canada while Japanese growth has been increased, resulting in a small downward reduction for total OECD. The implications of the adjustments to the economic data on oil demand have already been largely incorporated into the demand projections in earlier Reports, but the forecast of European oil demand remains sensitive to downward revision.

OECD Real GDP Growth 1993-1996

(% per annum seasonally adjusted at annual rates)

	1993	1994	1995	1996	1H95	2H95	1H96	2H96
US	2.2	3.5	2.0	2.3	1.2	2.0	2.4	2.5
Canada	2.2	4.6	2.2	2.1	1.5	0.6	2.1	3.5
Germany	-1.2	2.9	1.9	0.5	2.0	0.8	-0.3	1.9
France	-1.3	2.8	2.2	1.0	2.4	-0.3	1.3	1.8
Italy	-1.2	2.2	3.0	1.7	2.8	2.3	1.1	2.2
UK	2.3	3.8	2.4	2.2	2.0	2.0	2.1	2.8
Total Europe ¹	-0.1	2.5	2.6	1.5	2.9	1.3	1.4	2.1
Japan	0.1	0.5	0.9	2.2	0.0	2.8	2.2	1.7
Total OECD²	1.0	2.6	2.1	2.0	1.6	1.9	1.9	2.3

¹ Europe excludes the Czech Republic and Hungary for this analysis.

² Total OECD excludes the above-named countries and Mexico.

Source: *OECD Economic Outlook*, May 1996

On an adjusted basis, **US** economic growth in 1995 has been revised downwards, partly due to an inventory correction in 1H95 that led to weaker-than-expected growth. Although residential construction recovered in 2H95, consistent with favourable long-term interest rates, this was somewhat offset by the partial shutdown of the federal government and a major strike in the aviation industry at the end of the year. Economic growth in 1996 is expected to accelerate marginally, with weak economic activity in 1Q96 (following disruptions by winter storms, government shutdowns and an auto industry strike) more than offset by stronger growth in the remainder of the year, as business investment improves and export growth increases due to a recovery in neighbouring economies.

In **Europe**, economic growth in 1995 in the four largest oil-consuming countries has been revised downwards marginally to 2.6%, reflecting downward revisions in all countries, most significantly in France. In 1996, growth has been revised downwards substantially from 2.6% to 1.5%, reflecting revisions in all four major countries. The revisions are largest in France and Germany and have occurred primarily due to a reassessment of the lagged effects of currency appreciation and higher long term interest rates in 1995 on economic activity in 1996. In addition business investment has been weak which may lead to weaker final demand and a drawdown of inventories in the latter part of the year. Concurrently,

economic growth in many European countries is being constrained by fiscal tightening as governments attempt to improve public finances.

Japanese economic growth stalled in 1H95, reflecting the effects of the Kobe earthquake and the sharp appreciation of the yen. In the second half of the year, economic recovery gained momentum due to an easing of monetary policy and two supplementary budgets. Increased public investment took place and a decline in interest rates and a depreciation of the yen encouraged private sector demand. In 1996, the recovery is forecast to continue with evidence of a sustained expansion in private sector demand, although a fall in public investment (following a strong end to 1995) is expected to moderate growth in the second half of the year.

NON-OECD

Non-OECD Economic Growth Projections

The IMF's latest historical data and forecasts for GDP growth, adjusted to the same non-OECD regional definitions as used in the Report, are shown in the table below. Regional totals are weighted on a purchasing power parity basis. The contributions of three OECD members, Mexico, the Czech Republic and Hungary, to regional and total economic growth have been included within the non-OECD data. Changes between the latest and the previous projections (published in May 1996 and October 1995 respectively) are also shown in the table. In 1996, the rate of total non-OECD economic growth is expected to accelerate for the sixth successive year, primarily due to a return to economic growth in the FSU and a recovery in economic prospects in Latin America. Slightly slower economic growth is projected in 1996 in Europe, China and Other Asia. Compared with the previous published forecasts, total non-OECD economic growth in 1996 is unchanged, with lower growth in the FSU and Latin America offset by increased elsewhere, notably in China. Pending finalisation of new non-OECD data for 1994 (which is likely to lead to changes in demand for 1995 and 1996 in the next Report), the effects of the changes in regional economic growth discussed above have not yet been incorporated in the oil demand projections.

Non-OECD Real GDP Growth 1992-1996
(weighted on a purchasing power parity basis)

	% per annum					% point difference compared with October 1995				
	1992	1993	1994	1995	1996	1992	1993	1994	1995	1996
FSU	-18.6	-12.5	-15.8	-5.4	1.3	0.0	0.2	0.5	0.2	-1.6
Europe	-4.0	-0.9	4.2	5.5	4.6	2.8	0.0	0.9	1.5	0.2
China	14.2	13.5	11.8	10.2	10.0	1.1	-0.2	0.3	-1.2	0.7
Other Asia	5.3	5.8	6.6	7.1	6.8	0.2	0.5	0.3	0.4	0.0
Latin America	2.9	3.1	4.7	0.9	3.1	0.2	-0.2	0.1	-0.9	-0.9
Middle East	6.5	2.5	2.1	2.7	3.1	1.2	0.1	0.1	0.5	0.2
Africa	0.7	0.7	2.4	3.2	5.3	0.0	-0.1	-0.2	0.2	0.1
Total Non-OECD	3.1	4.2	4.9	5.0	6.0	0.5	0.2	0.3	-0.2	0.0

Total Non-OECD includes Mexico, Czech Republic and Hungary for the purpose of this analysis.
Source: IMF World Economic Outlook, May 1996 & October 1995

Other Asia Oil Demand

Other Asian oil demand in 1Q96 increased by 7.4% or 0.6 mb/d to 8.7 mb/d, a 0.1 mb/d upward adjustment from last month's Report. The rate of growth is similar to the 7.6% increase in 1995. The data for 1Q96 remains subject to revision particularly as Indonesian demand (which represents some 11% of regional demand) has been estimated.

Indian and South Korean demand continued to increase faster than the regional average but in line with recent trends and the two countries were responsible for nearly 60% of incremental Other Asian demand in 1Q96. In **India**, demand increased strongly for all fuels except naphtha, the latter weakness being partly due to particularly strong growth in 1Q95. Indian gasoil deliveries increased by 16.5% or 0.1 mb/d, contributing more than 60% to India's total incremental demand. In **South Korea**, relatively weak demand in the first two months of the year was followed by a 15.7% increase in March that was mainly attributable to strong transport fuel demand and higher kerosene deliveries, the latter resulting from much colder weather than last year. **Malaysian** demand increased particularly strongly, with robust increases for all products. In contrast, demand growth in **Singapore** and **Hong Kong** was comparatively weak, but both countries tend to experience a wide variation in bunker fuel use, which can impact total oil demand significantly. **Thai** demand growth accelerated in 1Q96 to 7.0%, following six months of comparatively modest demand growth. Gasoil deliveries increased by 15.1% or nearly 40 kb/d, while residual fuel oil deliveries increased by 26% following weak demand in 1Q95. **Pakistani** demand growth slowed, with gasoil deliveries increasing by only 2.1% but strong demand growth for residual fuel oil continuing,

consistent with increased use in the power generation sector.

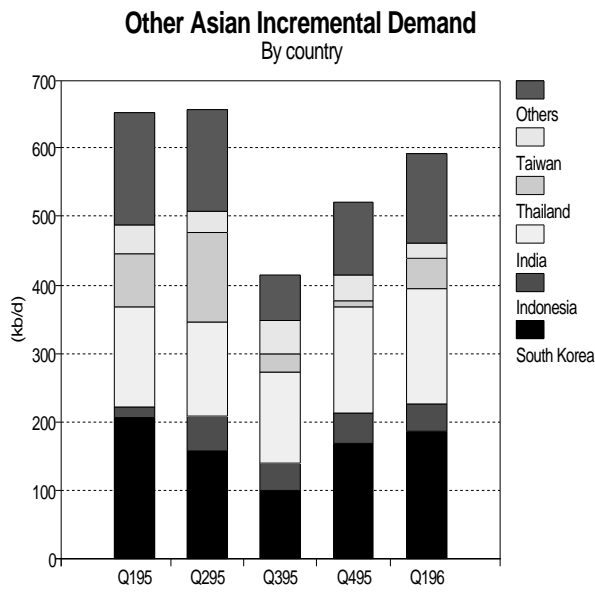
Other Asian Demand 1991-1Q96

(thousand barrels per day)

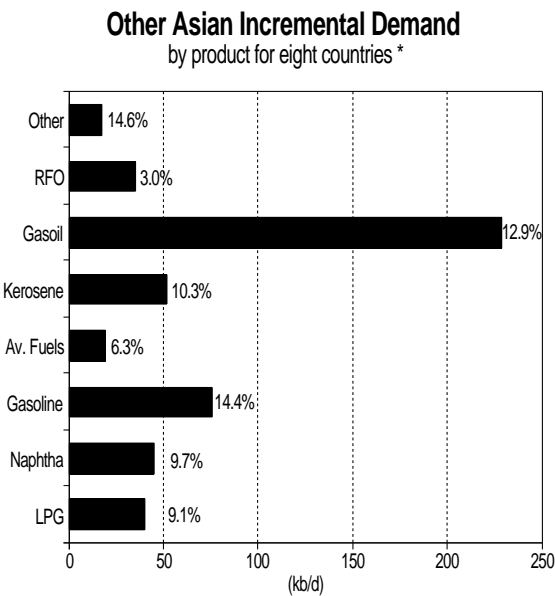
	1991	1992	1993	1994	1995	1Q95	1Q96	Change	
								mb/d	%
Hong Kong	130	166	170	172	180	170	179	9	5.4
India	1233	1309	1328	1426	1569	1543	1712	170	11.0
Indonesia ¹	701	758	812	802	840	806	846	40	5.0
Malaysia	285	296	342	358	381	364	437	73	19.9
Pakistan	220	229	265	287	318	318	339	21	6.6
Philippines	226	260	298	293	332	336	349	13	4.0
Singapore	448	510	508	548	557	556	556	1	0.1
South Korea	1269	1536	1706	1874	2032	2244	2430	186	8.3
Taiwan	587	602	650	683	723	700	722	22	3.1
Thailand	444	488	540	595	656	657	703	46	7.0
Others	320	331	352	372	383	384	401	16	4.3
Total	5864	6483	6970	7409	7971	8077	8674	597	7.4
% Change	5.6	10.6	7.5	6.3	7.6				

Includes estimates of refinery fuel use and bunkers
¹ 1Q96 estimated

The graph below on the right shows incremental annual growth for major oil products for eight of the leading oil-consuming countries in Other Asia. Gasoil's share of total oil demand in the eight countries increased, with the additional deliveries representing some 45% of total incremental oil demand. Residual fuel oil deliveries increased less quickly than total oil demand and its reduced share of total oil demand is consistent with substitution by competing fuels such as gas and coal in the power generation sector in many countries of the region. Gasoline was the fastest growing major product in percentage terms with particularly strong growth taking place in South Korea and Malaysia.



Hong Kong, India, Malaysia, Pakistan, Philippines, Singapore,



South Korea and Thailand

Non-OECD and Global Demand in 1996

Total non-OECD demand in 1Q96 has been revised upwards by 0.1 mb/d, reflecting revisions to FSU and Other Asian demand, which, together with minor upward adjustments to OECD demand, have led to a 0.1 mb/d upward revision to global demand in 1Q96 to 72.8 mb/d. In 2Q96, indications of stronger-than-expected net exports from the FSU have led to a minor downward adjustment to apparent FSU demand which, due to rounding, have resulted in a 0.1 mb/d downward revision to global demand to 69.7 mb/d. Non-OECD demand in 1996 remains essentially unchanged from last month's Report at 30.5 mb/d, but primarily due to upward adjustments to OECD demand, global demand in 1996 has been revised upwards by 0.1 mb/d to 71.7 mb/d, an annual increase of 2.4%. Global incremental demand in 1996 is essentially unchanged from last month's Report, at 1.7 mb/d.

SUPPLY

Summary

- World oil production appears to have increased significantly in June, rising by 680 kb/d to just under 72.1 mb/d. Higher North American and North Sea production following supply-constraining events in May accounted for the majority of the increase, but gains in Latin America, Africa and Asia were also significant.
- OPEC crude oil production rose by an estimated 50 kb/d in June. Lower Saudi Arabian production, probably related to maintenance, and constrained production in the Neutral Zone had reduced May output by more than expected, and their return to more typical levels exceeded small declines in Iranian, Algerian and UAE production. Venezuelan production is thought to have risen modestly.
- The largest elements in the non-OPEC supply growth were the rebound in Norwegian production following the May oil workers' strike, a relatively event-free month in Alaska, increased Canadian synthetics fuels production and new field start-ups in Africa and Asia.
- Net FSU exports in June are estimated to have reached almost 3 mb/d, with continued firm seaborne crude and product exports.
- Gabon's departure from OPEC is reflected in adjustments to historical OPEC and non-OPEC African production data contained below.

Non-OPEC Oil Supply

(million barrels per day)

	1994	1995	1996	1Q95	2Q95	3Q95	4Q95	1Q96	2Q96 ^p
CRUDE OIL									
North America	8.15	8.06	7.97	8.15	8.10	7.98	8.04	8.02	7.91
United States	6.66	6.54	6.42	6.63	6.59	6.44	6.51	6.49	6.38
Canada	1.48	1.52	1.56	1.51	1.51	1.54	1.52	1.53	1.53
Europe	5.61	5.85	6.39	5.85	5.53	5.77	6.23	6.17	6.14
North Sea	5.18	5.43	5.96	5.43	5.12	5.35	5.81	5.76	5.71
UK*	2.37	2.42	2.58	2.52	2.21	2.41	2.54	2.45	2.35
Norway	2.57	2.77	3.13	2.67	2.67	2.71	3.04	3.07	3.12
Other North Sea**	0.24	0.23	0.25	0.24	0.24	0.23	0.23	0.24	0.24
Other Europe	0.42	0.42	0.43	0.42	0.42	0.42	0.42	0.41	0.43
Pacific	0.59	0.56	0.66	0.56	0.57	0.58	0.53	0.56	0.66
Australia	0.54	0.51	0.62	0.52	0.53	0.53	0.48	0.52	0.61
Other Pacific	0.05	0.04	0.05	0.04	0.04	0.05	0.04	0.04	0.05
Total OECD	14.34	14.47	15.03	14.55	14.20	14.32	14.80	14.75	14.71
Latin America	5.17	5.34	5.81	5.34	5.28	5.54	5.19	5.71	5.76
Asia (inc. China)	4.65	4.92	5.08	4.87	4.87	4.95	4.99	5.02	5.03
Africa (inc. Gabon)	2.19	2.36	2.49	2.30	2.37	2.38	2.39	2.37	2.45
Other Middle East	1.77	1.86	1.89	1.83	1.86	1.88	1.88	1.86	1.88
Central and Eastern Europe	0.25	0.24	0.24	0.24	0.24	0.25	0.24	0.24	0.24
Total Non-OECD (ex. FSU)	14.02	14.72	15.51	14.58	14.62	15.00	14.69	15.20	15.35
Russia	6.10	6.00	5.91	6.03	6.06	5.97	5.95	5.92	5.89
Other Republics	0.81	0.83	0.91	0.77	0.85	0.85	0.86	0.86	0.90
Total FSU	6.91	6.83	6.82	6.79	6.90	6.81	6.81	6.78	6.78
NGLS & OTHER									
United States	1.98	2.07	2.08	2.08	2.08	2.06	2.05	2.03	2.09
Canada	0.79	0.87	0.91	0.88	0.87	0.83	0.91	0.91	0.82
North Sea	0.38	0.42	0.45	0.45	0.39	0.38	0.45	0.43	0.40
Russia	0.17	0.18	0.17	0.21	0.14	0.17	0.20	0.18	0.16
Other Non-OPEC	1.44	1.48	1.62	1.47	1.44	1.49	1.51	1.55	1.57
Total NGLs and Other	4.77	5.01	5.22	5.09	4.92	4.92	5.13	5.10	5.04
Processing Gains	1.43	1.48	1.51	1.48	1.48	1.48	1.48	1.51	1.51
Total Non-OPEC Supply	41.47	42.51	44.08	42.50	42.12	42.53	42.90	43.33	43.40

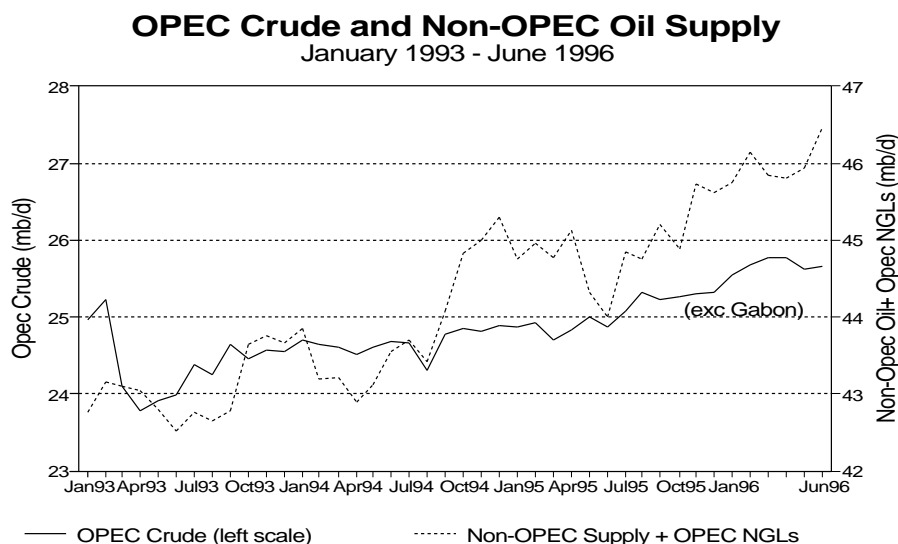
^p preliminary

* excluding on-shore production

** Denmark, offshore Netherlands and offshore Germany

Overview of Supply Developments and Revisions

World oil supply advanced by an unusually large 680 kb/d in June, the largest monthly increase since the return from the hurricane damage between last October and last November, and one of the largest monthly increases in recent years. Non-OPEC producers accounted for about 630 kb/d of the rise, while OPEC crude oil production increased by about 35 kb/d and NGL output rose by just over 10 kb/d. Leading the increases were gains of 190 kb/d in the North Sea and 115 kb/d in the US, following declines in May of 215 kb/d and 105 kb/d respectively, when the Norwegian workers' strike, maintenance to the UK Flotta system and work on both of these fields and on the pipeline in Alaska affected production. Production from Latin America, Canada, non-OPEC Africa (including Gabon), non-OPEC Asia and Australia grew in both May and June, with the June increases ranging from 50 kb/d to 90 kb/d each for the first four and 20 kb/d for Australia, following a sharp increase in May. Gains of 10-20 kb/d are thought to have been recorded for the FSU, non-OPEC Middle East and other OECD producers, all following similar small increases in May.



Downward revisions in the May data from last month's Report amounted to 400 kb/d, with 160 kb/d in OPEC and 240 kb/d in non-OPEC countries. The OPEC revisions resulted from a 150 kb/d lowering of estimated Saudi production and a small downward adjustment of 40 kb/d to the Neutral Zone and a 20 kb/d increase for the UAE. The non-OPEC revisions were mostly to non-OECD areas. For OECD, a 30 kb/d increase in the estimate of May US production was exactly offset by a lowering of Canadian production, both being related to adjustments to NGL output. Similarly in the North Sea, an upward revision of 20 kb/d to the Norwegian estimate offset a 20 kb/d downward revision to the UK. Revisions to May data for the developing countries featured downward adjustments to India (-70 kb/d), China, Yemen and Latin America (-50 kb/d each), with the Yemen adjustment carried back into 1995. The only historical revision affecting the rounding in Table 1 was a 0.1 mb/d increase in 1Q96 North American supply following an upward revision to March data for Canada. Revisions to forecasts include a 0.1 mb/d downward adjustment to OECD Europe discussed in the North Sea section and four other changes of 0.1 mb/d: as the reduced base level for Yemen has been carried throughout the remainder of the year causing a 0.1 mb/d reduction in projected 3Q96 and 4Q96 non-OPEC Middle East, and an increase of 0.1 mb/d for 3Q96 Mexican, offset by a similar decrease in Indian production.

First-Half 1996 Review; Second-Half Outlook

With the end of June, it is an appropriate time to review the first half of 1996 supply data in order to identify where the major increases and decreases have been and to look forward to the second half of the year, emphasising trends that are expected to continue and those that are expected to reverse. The table below orders the major non-OPEC and OPEC producing region according to the magnitude of year-on-year change for the first half of the year. Projected non-OPEC period-to-period and year-on-year changes for the second half of 1996 are also shown.

Production in 1H96 exceeded 2H95 by more than 1.1 mb/d, with over 100 kb/d more of the increase

coming from non-OPEC sources than from OPEC. Within OPEC all of the increase came from members outside the Persian Gulf. A similar pattern holds for the year-on-year changes versus 1H95. Non-OPEC oil production rose by more than OPEC production and the non-Gulf states dominated the OPEC increase. The largest non-OPEC year-on-year change occurred in Latin America, with Mexican production (including NGLs) increasing by about 205 kb/d and Brazil gaining 140 kb/d versus the 1995 first-half production that was reduced by the workers' strike in May. Colombian production was about 75 kb/d higher and Argentina was about 35 kb/d above 1H95. The rest of the rise occurred in Ecuadorian crude and South American NGL production. The North Sea increases were dominated by Norway, while China and Angola were responsible for the largest share of the Asian and African increases respectively.

Comparison of Six-Month World Oil Supply Data

(thousand barrels per day)

	First Half 1996 ^p		Second Half 1996 ^f	
	vs. 2H95	vs. 1H95	vs. 1H96	vs. 2H95
Latin America	396	475	172	569
North Sea	157	455	514	670
Asia	67	170	127	194
Africa**	34	95	162	196
Australia	57	39	109	166
Other OECD	12	21	41	52
Non-OPEC Middle East	-11	20	45	34
Canada	-7	8	137	130
FSU/CEE	-48	-52	128	80
US	-33	-193	-8	-42
Total Non-OPEC	624	1038	1426	2050
Middle East OPEC Crude	-6	84	NA	NA
Other OPEC Crude **	421	717	NA	NA
OPEC NGLs	87	148	190	277
Total OPEC	503	949	NA	NA
Total World Supply	1126	1987	NA	NA

* including Mexico

** Gabon included with Africa, no longer included in Other OPEC

Non-OPEC supply is seen growing even more substantially in 2H96, with the North Sea accounting for over 500 kb/d of the projected 1.4 mb/d increase versus 1H96. Increments of between 100-200 kb/d are anticipated from six of the other regions. Partly because of the impact of supply interruptions in 4Q95 on 2H95 supply, year-on-year growth of over 2 mb/d is anticipated for the remainder of the year. While the North Sea growth (which is split about equally between the UK and Norway) is most prominent, there are significant contributions from most of the other non-OPEC regions.

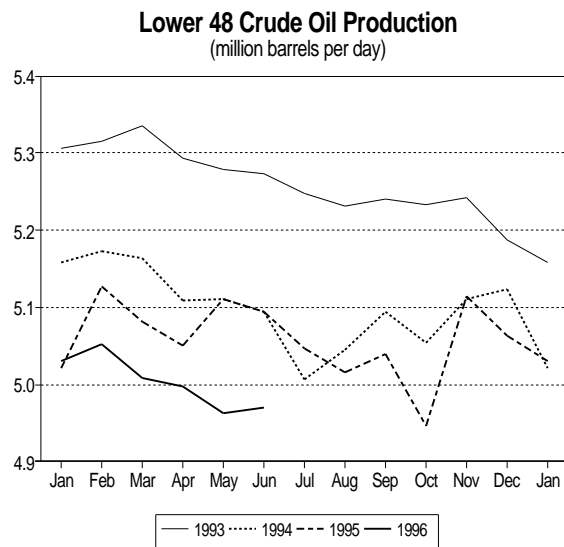
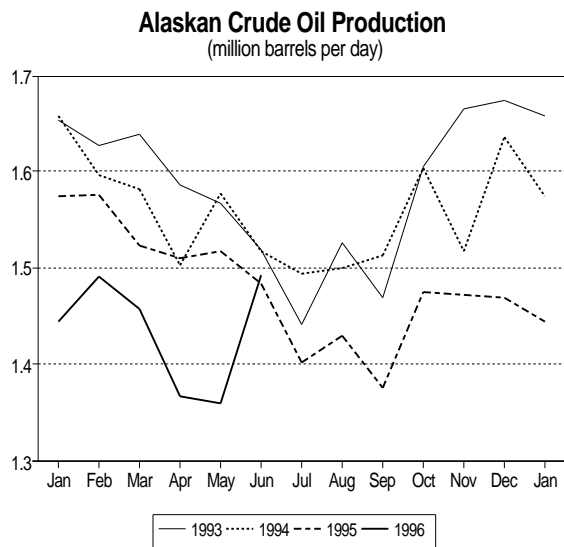
OECD

North America

For the first time in a number of months, neither the US nor Canada experienced any significant supply outages in June. Alaskan production and Canadian synthetic fuels plants have been subject to maintenance and technical problems for much of the first half of the year and severe cold limited Canadian conventional oil supplies. North American oil supply (excluding Mexico) is estimated to have risen 185 kb/d from May, following declines of 70 kb/d and 200 kb/d respectively in May and April.

The monthly increase of about 80 kb/d in June US oil production was dominated by a 133 kb/d growth in Alaskan crude oil production. The Prudhoe Bay field reached 850 kb/d for the first time since June 1995, up over 100 kb/d and about 10 kb/d above expectations. The Point McIntyre field also exceeded the forecast by 10 kb/d, at a record 160 kb/d. Niakuk averaged an unexpectedly high 30 kb/d and Milne Point began to see the benefits of the new Northwest Milne satellite field, rising to 48 kb/d. Other fields were in line with expectations, except Endicott, which fell to 72 kb/d versus an expected 86 kb/d.

Based on aggregate US supply data, Lower 48 crude oil production rose slightly in June, with the gains thought to be concentrated in the Gulf of Mexico. NGL and Other Supply are both believed to have declined seasonally, by 10 kb/d and 20 kb/d respectively.



The start up of the deep water Gulf Mars field this month represents the first 100 kb/d field in the US Gulf of Mexico and the effective inauguration of the US Gulf as a major new world class production province. Despite recent successes such as Auger and Pompano, there has been a reluctance in some quarters to accept the premise that oil production from the US Gulf was not in irreversible decline. The table below presents the current list of prospects with the potential for development before the turn of the century. If the projected output levels are achieved, which seems probable, output from the US Gulf will nearly double between 1995 and 2000. New projects, such as the Genesis field, continue to be added and projects underway are often upgraded substantially. An example is the Ursa project, where in the last week the participants have announced plans to increase the expected production capacity from the original 85 kb/d to 150 kb/d, making it larger than the Mars field.

US Gulf of Mexico Offshore Oil Production

(thousand barrels per day)

	1994	1995	1996	1997	1998	1999	2000
Louisiana State Waters	61	66	82	85	100	115	120
Texas State Waters	5	4	8	8	9	10	10
Federal Offshore Central Gulf	782	848	924	1111	1215	1374	1615
Old Fields - Crude	653	665	630	619	598	570	529
Enchilada				5	10	25	35
Jolliet	8	8	6	4	2	1	---
Popeye		1	2	5	5	3	1
Pompano	1	23	60	75	80	80	80
Mahogany			10	45	45	45	45
Neptune				20	25	25	25
Tahoe	1	8	8	8	10	10	10
Sunday Silence		10	30	50	50	50	50
Mars			50	100	100	125	125
Ram-Powell				20	35	50	60
Ursa					40	75	85
Wasatch					20	50	75
Alleghany					10	50	70
Vancouver						10	40
Genesis						10	25
Olivella (w/ Wasatch)							30
Other Central Gulf				30	50	50	120
Condensate	119	133	128	130	135	145	210
Federal Offshore Western Gulf	81	113	196	241	282	296	319
Old Fields - Crude	29	23	74	71	67	60	51
Auger	25	50	65	70	70	70	70
Cooper		15	30	40	40	36	33
Spend-a-Buck			10	35	40	45	45
Baldpate					20	30	35
Other Western Gulf				10	25	35	60
Condensate	27	25	17	15	20	20	25
Total US Gulf	929	1031	1210	1445	1606	1795	2114

Source: IEA, "Global Offshore Oil Prospects to 2000", forthcoming

April oil production from **Canada** declined by 179 kb/d to 2.1 mb/d according to preliminary data from Statistics Canada, about 45 kb/d more than expected. The main reason for the decrease, as discussed in last month's Report, was heavy maintenance at the Syncrude synthetic oil plant, which lowered output by 87 kb/d. Suncor production was also down slightly from 84 kb/d in March to 79 kb/d in April. Most of the remainder of the monthly decline was due to lower than anticipated NGL production, particularly of propane. Total NGL production, including condensates and pentanes plus (i.e., C5 and heavier non-crude liquids) fell by 61 kb/d, whereas the March-to-April change ranged from a gain of 5 kb/d to a decline of 15 kb/d over the previous seven years. It should be noted that March's preliminary estimate has been revised upwards by 18 kb/d by Statistics Canada. April crude oil production declined by 25 kb/d, with Saskatchewan production lower by 21 kb/d, Alberta's output down 9 kb/d and British Columbia's up 3 kb/d.

With the return of the Syncrude plant in early May, synthetics production was 45 kb/d higher than in April, despite apparent maintenance activities at the Suncor plant. The Alberta Energy and Utility Board reported Syncrude output increasing by 74 kb/d to 200 kb/d and Suncor dropping from 79 kb/d to 49 kb/d, the latter including 20 kb/d of distillates sold directly from the plant. Seasonal declines of about 5 kb/d are estimated for both crude oil and NGLs, resulting in an increase in total Canadian oil production of about 35 kb/d in May. Additional increases are believed to have occurred in June, assuming both synthetics plants were back to almost full capacity (of 220 kb/d and 85 kb/d respectively) and that NGLs returned to more normal seasonal levels. June production is estimated at 2.41 mb/d, an increase of about 75 kb/d from May.

Canadian Oil Production 1992-1996

(thousand barrels per day)

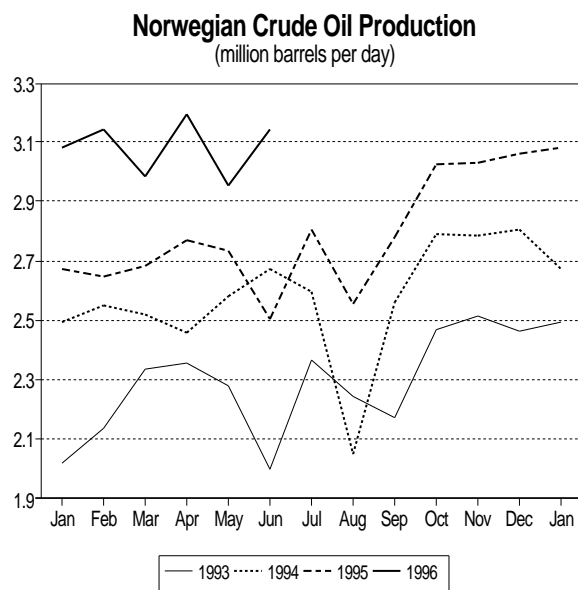
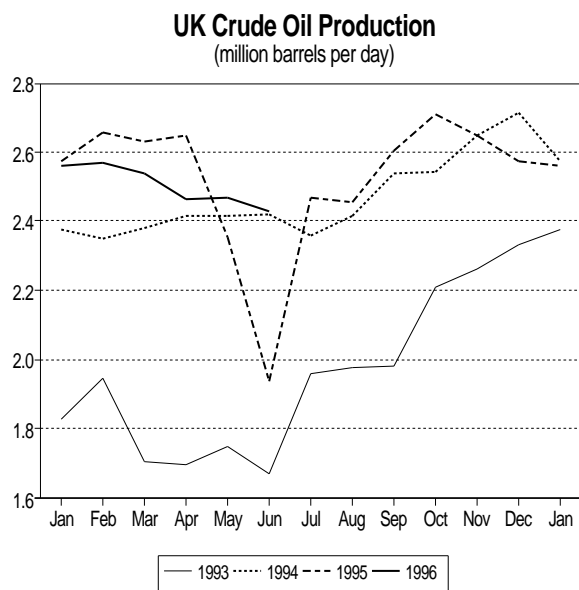
	Levels			Year-on-Year Changes	
	1st Half	2nd Half	Change	1st Half	2nd Half
1992	2056	2096	40	60	87
1993	2115	2247	132	59	151
1994	2234	2327	93	119	80
1995	2385	2399	14	151	72
1996	2393	2530	137	8	130

Sources: Statistics Canada and Alberta Energy and Utility Board

The relatively heavy maintenance at the synthetics plant, lower spring NGL production and the impacts of cold weather on February crude oil and NGL production resulted in 1H96 Canadian oil output being slightly below 2H95 and only marginally above 1H95. The table above shows the year-on-year changes for Canadian half-year data over the last four years. Apart from 1H96, it is interesting to note the consistent increases for all periods, ranging from around 60 kb/d in the first half of 1992 and 1993 to over 150 kb/d for 2H93 and 1H95, in what was thought to be a relatively mature producing region. The expected growth for the second half of 1996 of 130 kb/d versus 2H95 (137 kb/d versus 1H96) assumes normal operations at the synthetics plants (with increases in the direct Suncor distillate sales) and relatively high capacity utilisation of oil and gas pipelines into the US. A scheduled hydrostatic testing programme for the Interprovincial Pipeline is not expected to have a major impact on aggregate flows.

North Sea

North Sea supply developments continue to be mixed, with slightly more negative surprises in the UK sector countered by positive developments in the Norwegian sector, although both sectors have offered up a menu of successes and failures. Given the very active development of the large number of fields using new technologies and organisational techniques, a range of performance is to be expected. However, it appears that the ultimate result will be appreciably more oil coming out of the North Sea. Contract disputes, commissioning difficulties, deferred start-ups and other delays are only that, delays, as the projects that are close to completion go forward and the oil is produced. Even with strikes, maintenance and technical problems, North Sea oil production has exceeded 6 mb/d or been just below it every month so far this year. May production was 3 kb/d below 6 mb/d, but June production is estimated to have recovered to 6.17 mb/d despite Brent system maintenance that contributed to a 60 kb/d decline in UK production. Norwegian production rose by nearly four times the UK decline following the strike in May. New field production has pushed total Danish production over 200 kb/d.



May crude oil production from the **UK** sector of the North Sea was slightly below April levels at 2.36 mb/d. Maintenance for the Claymore area of the Flotta system more than offset increases in the Forties system, following technical problems in two of the larger fields (Scott and Nelson) in April, and the return of the Beryl field from maintenance. The Fulmar system also saw small declines in all four of its fields and the Ninian system was modestly lower, despite the start-up of the Magnus South satellite field late in the month. The Brent system was a little above April production levels as the Brent Bravo platform produced an unexpectedly high 80 kb/d, the highest level since the platform returned from major conversion work last December. The Brent field production increased to over 200 kb/d, despite the shutdown of the Brent Charlie platform for its conversion work, and this more than compensated for the absence of production from the small Don field throughout the month, the beginning of a summer maintenance programme at the Osprey field and small declines elsewhere in the system. Output from offshore-loaded platforms increased slightly as well, despite lower production from the UK share of the Statfjord field due to the Norwegian workers' strike early in the month and the beginning of maintenance work at the Alba field. A third well drilled from the Kittiwake platform raised output above 30 kb/d for the first time since last August. Harding field production is believed to have averaged around 15 kb/d, following start-up at the end of April, but remained well below expectation. Similarly, the two new Liverpool Bay fields, Douglas and Lennox, appear to be encountering difficulties in commissioning facilities, with production just matching that of April.

June UK crude oil production is estimated to have decreased by about 40 kb/d to 2.34 mb/d as a result of scheduled maintenance involving six Brent system fields, two Forties system fields and part of the Fulmar area. The aggregate decline would have been considerably larger if it had not been for the return of the Flotta system to near full capacity and increases in some of the offshore-loaded fields. The Brent system maintenance is thought to have reduced Brent A platform and Tern field output by 25-30 kb/d each and the Osprey, Dunlin and South Cormorant fields by about 10 kb/d each. Work at two platforms on the Forties field and at the unmanned Arbroath platform resulted in declines of just under 40 kb/d and 10 kb/d respectively. Partially offsetting the Forties system maintenance was a continued improvement in Scott/South Scott field production and the start-up of the Andrew field on 26 June. Liverpool Bay production is judged to have been reduced by about 15 kb/d, 50% of May's output, for the hook-up of gas lines to feed the Welsh Connah's Quay power plant. The impact of maintenance to the Fulmar field and four-day outages at its Auk and Gannet satellites was roughly offset by higher Beryl field production as it returned to near full capacity. Among the offshore-loaded fields, small increases from the UK portion of the Statfjord field following the May strike, and from the Harding field nearly matched the impact of the continuation of Alba field maintenance at the beginning of the month and the end of the extended well test on the Machar field around mid-month.

Maintenance activities are expected to continue to constrain UK output in July and August, but new field start-ups and increasing production from Harding, Liverpool Bay and Andrew should result in a net increase of around 50 kb/d in July and again in August. With the end of maintenance September production is estimated to reach 2.72 mb/d. As a result of helpful responses to last month's detailing of 4Q96 changes in UK production and taking into account the disappointing experience so far at Harding and Liverpool Bay, a downward revision of about 55 kb/d has been made to the 4Q96 UK estimate. A

slower production escalation has been assumed for the West of Shetlands Foinaven field, although a late September start-up continues to be assumed. The problem with the subsea template at Foinaven mentioned in last month's Report is reported to have been solved, and a rapid increase in Foinaven production is possible giving some upside sensitivity to the 4Q96 estimate. Also contributing to the upside potential is a recent UK High Court finding that appears to favour a near term resolution of the gas contract dispute that has kept the J-Block Joanne and Judy platforms from producing oil. Currently, it is assumed that the J-Block fields will not produce until next April when gas re-injection capability is completed on the Judy platform. Nonetheless, even with the revisions and the absence of the J-Block fields, 4Q96 UK crude oil production is projected to exceed 3 mb/d, an increase of more than 500 kb/d from 3Q96 and about 400 kb/d above 4Q96. In addition, new gas fields and seasonal increases in gas production are expected to raise UK NGL production to 365 kb/d, up over 100 kb/d from 3Q96 and 70 kb/d over 4Q95.

Data from the Norwegian Petroleum Directorate show that the impact of the oil workers' strike on May **Norwegian** production was less than anticipated, reducing output by just over 220 kb/d versus an expectation of over 250 kb/d that appeared in last month's Report. Crude oil production (including Sleipner East condensates which are spiked into crude oil at the Mongstad terminal) averaged 2.97 mb/d for the month. The main Ekofisk complex was relatively unaffected by the 4-9 May strike, with crude production only 2 kb/d below the April level and over 20 kb/d above the preliminary estimate. As expected, the brunt of the strike was borne by the Statfjord B and C and the Gullfaks A and B platforms. Output from the main Statfjord and Gullfaks fields was down by 69 kb/d and 52 kb/d respectively, the latter being affected by pipe corrosion at the Gullfaks B. Statfjord North satellite was reduced by 25 kb/d versus April and Statfjord East and Gullfaks Tordis satellite by about 10 kb/d each, but Snorre field output was unaffected, remaining above 200 kb/d. The rest of the strike impact was seen in the Oseberg system, which declined by 39 kb/d, primarily due to reductions at the Oseberg C platform. Independently, the Draugen field underwent maintenance in May lowering output by 47 kb/d. This was mostly balanced by the 40 kb/d increase in Heidrun field, which at 258 kb/d was 10 kb/d above the surprisingly high preliminary estimate discussed in last month's Report. However, near the end of the month, problems with three water injection wells and the need to gravel pack some production wells to stabilise flow rates brought output down to just over 200 kb/d.

Production at the Heidrun field appears to have continued at reduced levels during June, but the return of Draugen and Ula from May maintenance and the strong production rebound of fields affected by the strike led to an increase of over 230 kb/d to a record crude oil production of 3.36 mb/d, more than 100 kb/d above anticipation. The Statfjord-Gullfaks area contributed about 145 kb/d to the increase, with the two main fields up by 45 kb/d each. The Tordis field is believed to have operated near capacity at 90 kb/d and the Statfjord North field was near the 70 kb/d level achieved in April. Statfjord East output increased by 15 kb/d to 60 kb/d. The higher operating rates for the two satellites are thought to be more representative of their geological potential as previous levels were limited by processing capacity on the Statfjord platforms which has now been made available by natural declines in the main reservoirs. Oseberg-Troll area production rose by an estimated 15 kb/d, with return to full production at the Oseberg and Veslefrikk fields partially offset by a 20 kb/d decline in production from West Troll. The Haltenbanken Draugen field produced record volumes averaging 154 kb/d, versus the maintenance-reduced 82 kb/d in May, more than offsetting a 40 kb/d decline in Heidrun production. A new high, of 47 kb/d, was also recorded for the Yme field, contributed to by the start-up of the Beta East satellite during the month. Elsewhere, maintenance on the Sleipner East platform was apparently extended by an electricians' strike, leading to a 36 kb/d monthly decline, about 20% more than anticipated. The electricians' strike is also thought to be affecting work on the Sleipner West platform, which had been expected to start up on 1 October.

Now that a second strike threatened by oil workers appears to have been averted, 3Q96 production is expected to average 3.17 mb/d versus 3.27 mb/d in 2Q96. Norwegian maintenance is usually more concentrated in the third quarter, whereas the heaviest UK maintenance typically occurs in the second quarter. The 3Q96 level is a 50 kb/d upward revision from last month's forecast taking into account the recent better performance of the Statfjord satellites and the Ekofisk system, which have been revised by 30 kb/d and 20 kb/d respectively. Higher levels are also assumed for Yme (+10 kb/d) and Froy (+5 kb/d). Conversely, the problems at Heidrun suggest a more cautious forecast, about 10 kb/d lower, and deferral of planned May maintenance at Statfjord B and C until August has resulted in a 5 kb/d downward revision for 3Q96. The 4Q96 estimate has been increased by about 20 kb/d, with higher Statfjord satellite, Ekofisk and Yme production estimates more than offsetting lower expected Heidrun production and a delay of a few weeks in the Sleipner West start-up due to the electricians' strike.

In May, oil production from the **Danish** sector exceeded 200 kb/d for the second time due to new field

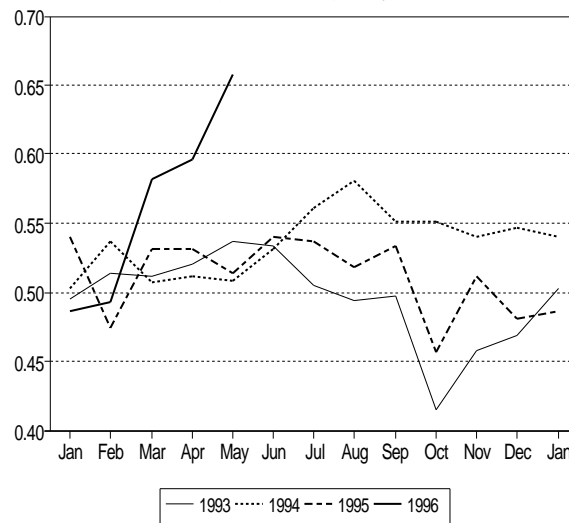
production and better-than-expected output from the Dan and Skjold fields. The Dan field produced a record 66 kb/d in May, apparently as a result of additional high-volume water injection. First oil from the Svend field was produced from two horizontal wells on 1 May and, due to the early start-up, the field averaged an unexpectedly high 4.6 kb/d for the month equalling the new Roar field that started up in mid-January. The Svend field, which has an expected peak of 15 kb/d, had originally been scheduled for 4Q96. Svend and Roar are both satellites of the Tyra field, the first being located relatively close to the Tyra complex, but Svend in deeper water (over 200 feet) about 40 miles to the northwest. Several other fields in the area are expected to be developed over the next few years. The South Arne field was declared commercial in May and is slated for start-up sometime in 1998. **Dutch** production in May declined to 37 kb/d from 38 kb/d in April. Ironically, production from the Kotter and Logger fields (whose platforms are currently being offered for sale for re-use elsewhere in the North Sea) increased marginally, while output from four of the Netherlands' five other producing oil fields were each slightly lower and from the Q1 field was unchanged.

Pacific

Australia's April crude oil production of 526 kb/d was 70 kb/d lower than expected because of the more severe impact of Cyclone Olivia on offshore and onshore production in Western Australia. The eight-day disconnection of the *Cossack Pioneer* and the *Griffin Venture* was two days longer than previously thought, leading to monthly declines of more than 30 kb/d for each. Facilities on Barrow Island sustained damage that may take some time to repair, with April production reduced by more than 40% to 8 kb/d. Cooper Basin production was down slightly, partially due to lower condensate production, whereas output from the Gippsland Basin, off southeastern Australia, rose by 10 kb/d in April.

Estimated May output of 722 kb/d (including 65 kb/d of NGLs) reflects an absence of production interruptions that have typified the last six months. About 85% of the monthly increase of nearly 135 kb/d is thought to have occurred in the Carnarvon Basin fields, from the Wanaea-Cossack and Griffen floating production vessels, the Thevenard Island fields and the North Rankin and Goodwin condensate complexes, although Barrow Island production is assumed to continue to be affected by residual damage from the cyclone.

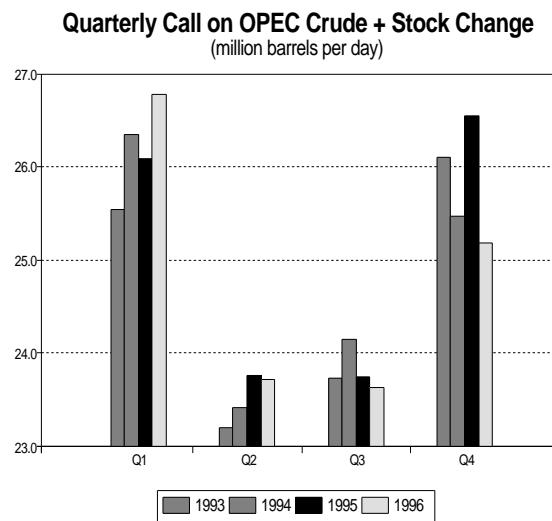
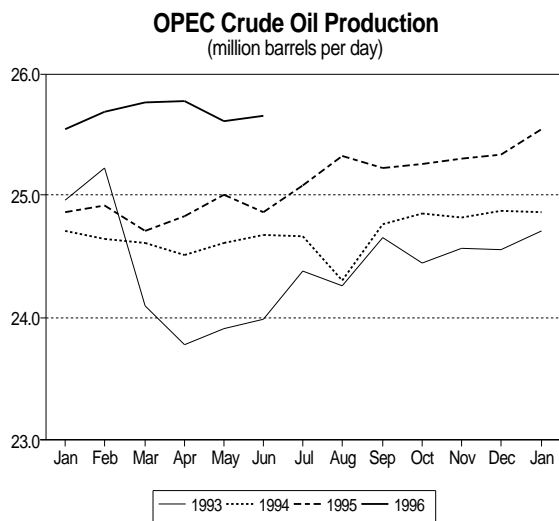
Australian Crude Oil Production
(million barrels per day)



OPEC

OPEC production is estimated to have increased by about 50 kb/d in June after larger than expected reductions in Saudi Arabia and the Neutral Zone in May. **Saudi Arabian** production is now thought to have decreased by 180 kb/d in May, possibly as a result of maintenance activities at the Ghawar field. Saudi output (including about 150 kb/d of Abu Saafa field production given to Bahrain) averaged 7.85 mb/d in June versus a revised 7.8 mb/d in May. In the **Neutral Zone**, Khafji field output was reduced by 32 kb/d in May and restored to 255 kb/d in June.

Iranian crude oil production appears to have decreased by about 30 kb/d to 3.65 mb/d in June and production from the **UAE** was about 5 kb/d lower than in May at 2.175 mb/d. Tanker tracking data indicate a small decline in **Algerian** production to 800 kb/d, despite the start-up of two new fields during the month. The Tamadanet field on the Tinrherth Block and the Rhoude Jacoub field are each reported to be producing about 15 kb/d. As the case with Algeria, tanker-tracking data indicating flat production for **Indonesia** in June do not reflect the impact of at least one new field start-up offshore from East Kalimantan which is likely to raise future production by about 20 kb/d, if not doing so already. **Venezuelan** production is estimated to have increased by 15 kb/d to 2.95 mb/d as a result of increased production from older heavy oil fields being subjected to enhanced recovery techniques and some small new fields.



OPEC NGL output was sharply higher in May due to the expansion of UAE condensate and NGL production, primarily from the Bab field. Exports of the 55°-57° condensate to the Asian market indicate that the technical problems with one of the underlying Thamama reservoirs have been mitigated and that the Asian condensate market has become more attractive than it was earlier in the year. Additional expansions to 100 kb/d at the end of 3Q96 and to 130 kb/d by the end of the year are being discussed, but estimates used here do not yet reflect a full realisation of these plans.

At the OPEC meeting in November 1994, Gabon advised OPEC that it would withdraw from OPEC at the beginning of 1995, if OPEC did not change the formula for contributions to the Organisation. Since no change has been made, Gabon reportedly is now considered by OPEC to have terminated its membership on 1 January 1995. In this Report, we have adopted a similar approach to that used when Ecuador left OPEC and have included Gabon in Africa and excluded it from OPEC for *all* previous years, thus avoiding discontinuities in the historical series for OPEC and African production. Revisions to recent historical data are shown in the table below.

Revised OPEC Production

(thousand barrels per day)

	Monthly				Quarterly		Annual*	
	1993	1994	1995	1996				
Jan	24,966	24,708	24,862	25,547	3Q93	24,427	1984	16944
Feb	25,223	24,642	24,924	25,681	4Q93	24,523	1985	15672
Mar	24,103	24,613	24,708	25,769	1Q94	24,655	1986	17829
Apr	23,775	24,506	24,833	25,768	2Q94	24,597	1987	17526
May	23,918	24,609	25,008	25,596	3Q94	24,578	1988	19329
Jun	23,990	24,676	24,866	25,649	4Q94	24,849	1989	21220
Jul	24,380	24,671	25,084	-	1Q95	24,828	1990	22458
Aug	24,257	24,303	25,320	-	2Q95	24,904	1991	22680
Sep	24,652	24,765	25,222	-	3Q95	25,208	1992	23770
Oct	24,446	24,851	25,256	-	4Q95	25,297	1993	24,398
Nov	24,566	24,817	25,304	-	1Q96	25,665	1994	24,670
Dec	24,557	24,877	25,331	-	2Q96	25,670	1995	25,061

* excludes Gabon and Ecuador throughout

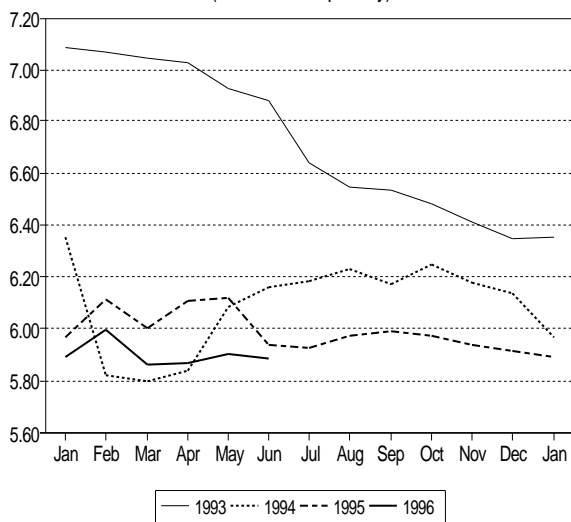
Former Soviet Union (FSU)

Production

Russian oil production increased by 17 kb/d in May according to data from the Ministry of Fuels and Energy. Crude oil production from Lukoil, Tyumen Oil Company and Slavneft each rose by 10-15 kb/d.

A nearly 30 kb/d increase in oil output from the Rosneft production associations was offset by a similar decline in Gazprom crude production. Small monthly declines were also reported for Yukos, Tatneft, Bashneft and Chechnya's Southern Oil Company. NGL/condensate production was 14kb/d lower, reflecting a seasonal decline in natural gas production.

Russian Crude Oil Production
(million barrels per day)



June production is estimated to have been marginally lower, decreasing by 9 kb/d. Lukoil's 28 kb/d higher output was more than offset by declines of 25 kb/d and 15 kb/d in crude oil production by Surgutneftegas and Yukos and a 35 kb/d decrease in Rosneft crude production. The three southern regional production companies, Tatneft, Bashneft and Southern Company are believed to have recovered by 10-20 kb/d following the declines in May.

Kazakhstan oil production decreased by 5 kb/d in May because higher output level from the Tengizchevroil joint-venture, which reached a record 92 kb/d, was more than offset by seasonally lower condensate production. **Azerbaijani** production in May was essentially unchanged at 183 kb/d.

Net Exports

FSU exports in June are estimated to have reached nearly 3 mb/d. The volume of crude exports in June remained firm with no disturbance reported on seaborne or pipeline shipment. The total product export volume was 900 kb/d, almost as high as the peak in summer 1995. Gasoil exports exceeded 480 kb/d. Fuel oil exports were at 390 kb/d, slightly higher than in May but lower than in June last year, probably due to reported abnormally low water level of the Volga, a major shipping route of the product. The first delivery to Serbian refineries after the UN trade embargo was lifted in January this year was reportedly made in the end of June. Russian crude was also scheduled to be shipped in June. Russia is to export 50 kb/d of crude to Serbia under an intergovernmental agreement made in April this year. It is pumped through Druzhba to Hungary and then down the main line of the Adria Pipeline to Sisak in Croatia and thence to the Novy Sad and Pancevo refineries in Serbia through the eastern leg of the pipeline. The Russian Finance Minister confirmed late June that the crude export tariff would be abolished on 1 July 1996 as originally scheduled to comply with one of the conditions of the IMF loan programme. The tariff was halved to 10 ECU/tonne from 1 April 1996.

1994-1996 Net FSU Exports

(million barrels per day)

	1994	1995 ^f	1996 ^f	4Q95	1Q96 ^f	2Q96 ^p	Feb ^f	Mar ^f	Apr ^f	May ^f	Jun ^p
Black Sea Exports*	1.04	0.98	†	1.09	0.99	1.31	0.96	0.95	1.25	1.35	1.33
Baltic Exports	0.56	0.61	†	0.76	0.64	0.84	0.66	0.68	0.74	0.87	0.90
Total Seaborne	1.60	1.59	†	1.84	1.62	2.15	1.61	1.63	1.99	2.22	2.23
Druzhba Pipeline**	0.81	0.83	†	0.80	0.75	0.72	0.80	0.66	0.64	0.73	0.80
Total Exports	2.41	2.42	†	2.64	2.38	2.87	2.42	2.29	2.63	2.95	3.03
Imports	0.03	0.04	†	0.04	0.05	0.05	0.04	0.05	0.05	0.05	0.05
Net FSU Exports	2.39	2.38	2.52	2.60	2.33	2.82	2.37	2.24	2.58	2.90	2.98
NB: Crude Oil	1.91	1.91	†	1.97	1.86	2.07	1.94	1.71	1.97	2.11	2.13
Oil Products	0.47	0.47	†	0.64	0.47	0.75	0.43	0.53	0.61	0.80	0.85

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

† Data not available

f Forecast

** Crude oil only

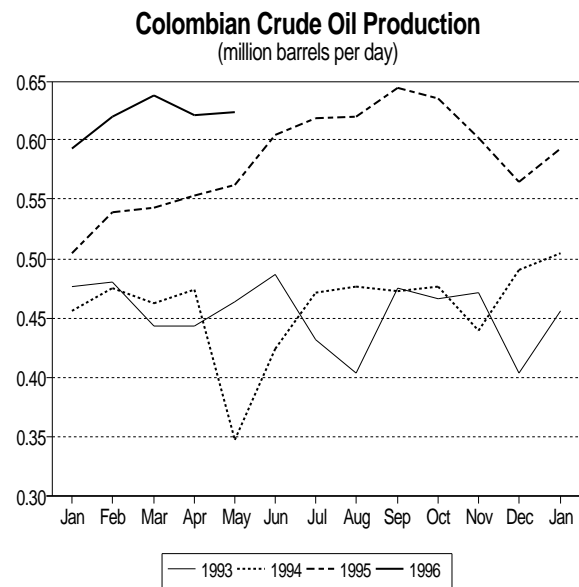
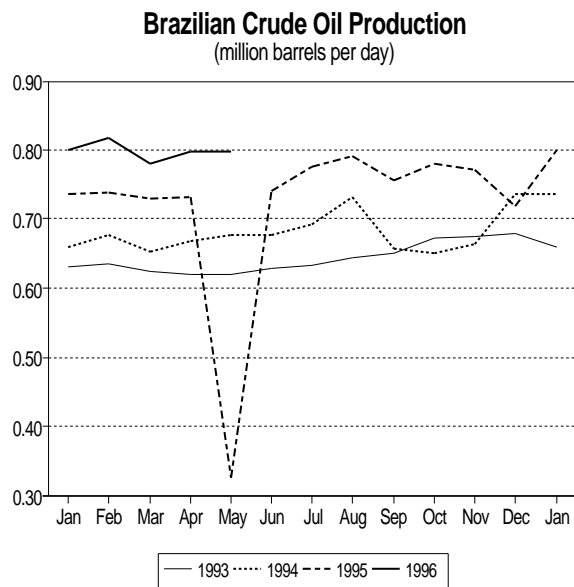
p Preliminary

r Revised

Other Non-OPEC

Latin America

Mexican crude oil production decreased by 17 kb/d in April but more than recovered that in May, rising by 22 kb/d to a new high of 2874 kb/d, according to data received from the national oil company, PEMEX. NGL production increased from 469 kb/d in March to 476 kb/d in April before settling back slightly to 474 kb/d in May. Natural gas production set new records in both April and May and in May was already 6% above December 1995 levels. Natural gas production has increased in ten of the last twelve months. Despite the increase in oil and gas production, crude oil exports declined by 24 kb/d in May, indicating a rekindling of Mexican oil demand growth. Exports to the US fell by 92 kb/d for the month, offsetting increases of 53 kb/d to Japan and 13 kb/d to Europe. The decline in exports was centred on the intermediate Olmeca stream, which decreased by 36 kb/d, while Maya heavy was nearly unchanged and lighter Isthmus increased by 13 kb/d.

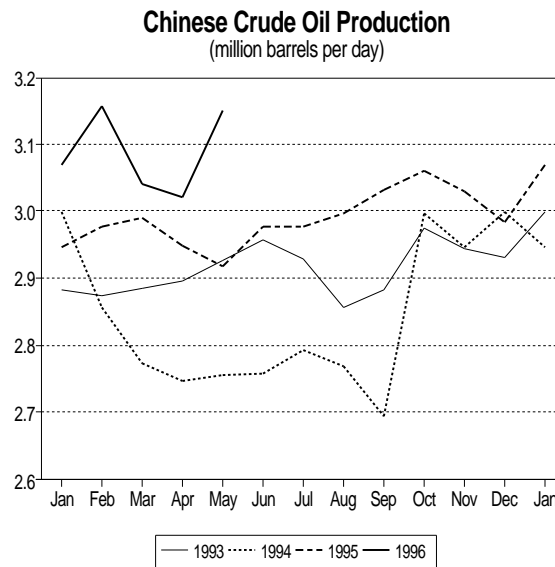
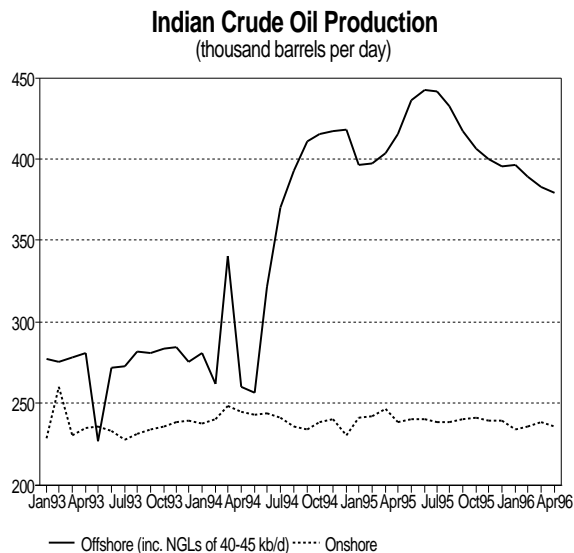


Detailed data for oil production in **Brazil** for April indicate a rebound to 797 kb/d from 781 kb/d in March. Most of the gain was in offshore Campos Basin output, which rose by 11 kb/d to 535 kb/d following a decline of 26 kb/d in March. Onshore production rose slightly to 209 kb/d. Preliminary estimates for May indicate production holding at just below 800 kb/d. Development work in the Campos Basin is continuing at a rapid pace. Fourteen of the twenty-six floating production, storage and offloading vessels (FPSOs) planned to be in service by 2000 are already operating. In addition to orders for the Marlim, Barracuda and Albacora FPSOs discussed in last month's Report, a small floater is likely to be ordered in the near future for the 20 kb/d Espadarte field southwest of Marlim. Rapidly expanding offshore Brazilian production is expected to contribute significantly to non-OPEC supply growth in 1997.

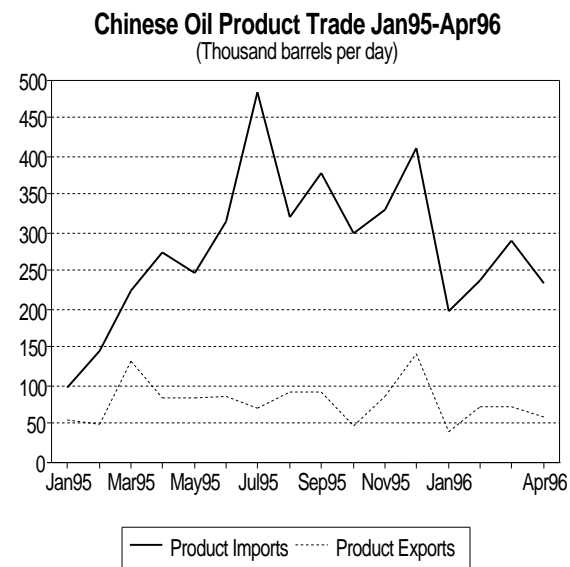
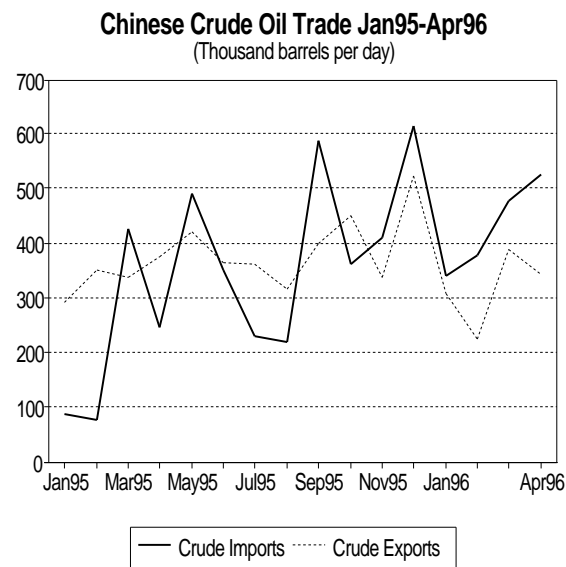
Colombian production increased only slightly in May to 623 kb/d from 621 kb/d in April, despite the start-up of commercial production from the Cupiagua field, adjacent to the Cusiana field in east central Colombia. Pipeline capacity constraints will limit the output of the Cusiana-Cupiagua area until a new 500 kb/d pipeline to the Covenas export port on the Caribbean coast is completed in 1997. Output from the area is currently transported through a 180-200 kb/d spur line to the Colombia Pipeline in which it shares capacity with output from the older Cano Limon field. Declining production from Cano Limon and possibly upgraded pump capacity and friction reduction agents could make a small amount of additional space available for the increasingly popular Cusiana-Cupiagua crude, but the next large increment will probably have to wait for the new pipeline to be completed. The pipeline damage caused by a bombing reported late in the month is thought to have been repaired within hours and not to have affected production.

Asia

Indian crude oil production decreased by 6 kb/d in April to 615 kb/d as a result of declines in the offshore areas, continuing an offshore decline that began in the middle of last year. Increasing water cuts in the Neelam field and well workovers in the Bombay High area have reduced offshore production from nearly 450 kb/d last summer to just over 370 kb/d in May. Onshore production has also been below expectations due to a variety of problems ranging from power outages to sabotage. Preliminary reports indicate another even sharper decline in crude oil production to under 580 kb/d in May, thought to be concentrated in the four onshore regions; Gujarat, Nagaland, Tamil Nadu and Arunachal. Because of the recent experience and the uncertainties created by the governmental changes, the forecast for the remainder of 1996 has been lowered, by 45 kb/d in 3Q96 and 15 kb/d in 4Q96.



Chinese oil production returned to near record levels of about 3.15 mb/d in May according to data from the Chinese government oil companies, following weather and maintenance reductions and a pipeline break that affected March and April offshore output. Offshore production achieved a record level of 328 kb/d, surpassing 317 kb/d in February and 305 kb/d in March. The start-up of the Liuhua 11-1 field in the Pearl River Mouth added to the return of the two Xijiang fields from maintenance. Liuhua is thought to be the largest offshore field in China at 44 sq km, of which only 14.4 sq km are currently being exploited. Current facilities will support about 50 kb/d of production, but further development is considered likely. Offshore production accounted for all of the production increase as small declines in five onshore areas offset small advances in five other areas, leaving onshore production essentially unchanged. The largest increases were in the Liaohe, Zhongyuan and Yanchang production areas, while the declines occurred at Huabei and Qinghai.



In

addition to the offshore developments in the Pearl River Mouth, there have been recent exploration

successes in the Bohai and Beibu Gulfs. The Bohai Gulf CFD 2-1 discovery well flowed nearly 7 kb/d of light sweet crude (unusual for this area where production has historically been of heavy oils) from two zones. With the high quality, reserve potential estimated in the 100-200 mb range, water depth of only 40 ft and available local infrastructure, rapid development is expected. Two other discoveries deemed to be commercial were made in the Bohai Gulf last year, Qinhuangdao 32-6 and Caoheidian 18. In the Beibu Gulf west of Hainan Island Southern, the Southwest Weizhou 8-3 field is expected to be developed.

In April, an increase in net crude imports more than offset a decrease in net product imports so that total net oil imports rose to 368 kb/d. China's crude imports have been increasing steadily since the beginning of this year, reaching 525 kb/d in April. The growth in imports appears to match growing refinery runs. The sources of imports in the first four months were led by Yemen and Oman with 106 kb/d and 105 kb/d respectively, 83 kb/d and 57 kb/d more than those in the same period last year. More than half of the year-on-year increase in crude imports is accounted for by these two countries. April product imports decreased compared to the previous month, mainly due to a decrease in fuel oil imports and probably as a reaction to strong Asian prices.

Africa

The table below presents details of African oil production growth over the last few years and the sources of the expected sizeable increases this year and next. Full details of projected 1997 non-OPEC supply growth will appear in next month's Report.

African Oil Production 1993-1997

(thousand barrels per day)

	1994	1995	1Q96	2Q96p	3Q96f	4Q96f	1996f	1997f	Change 96-95	Change 97-96
NON-OPEC CRUDE OIL										
Egypt	866	887	879	884	913	923	900	933	13	33
Angola	528	646	673	715	723	750	716	795	69	79
Gabon	318	345	358	357	352	348	354	359	9	5
Tunisia	100	103	100	100	105	105	102	98	-0	-4
Cameroon	130	120	125	120	120	115	114	120	-6	6
Congo	200	208	205	205	210	210	213	255	6	42
Zaire	22	21	22	21	21	21	21	21	-1	0
Equatorial Guinea	5	7	10	10	22	37	20	65	13	45
Ivory Coast	1	9	20	27	32	33	28	28	19	0
Benin	4	4	4	4	4	4	4	4	0	0
Morocco	1	1	1	1	1	1	1	1	0	0
South Africa	4	5	5	8	8	9	8	14	3	6
Ghana	6	6	6	7	7	7	7	6	0	-1
Sudan	0	0	0	1	3	2	1	10	1	9
Total Crude	2185	2361	2409	2463	2521	2565	2489	2709	337	208
Egyptian NGLs	55	59	59	58	56	63	59	70	0	11
Tunisian NGLs	4	4	4	4	4	4	4	4	0	0
South Africa SASOIL/Mossgas	141	163	159	160	165	170	163	NA	0	NA
Moroccan Shale	0	1	1	1	1	2	1	NA	1	NA
Total Non-OPEC Africa	2385	2589	2633	2685	2747	2804	2716	NA	338	NA
OPEC CRUDE OIL										
Nigeria	1902	1933	2085	2128						
Libya	1375	1405	1384	1393						
Algeria	746	763	784	803						
Total African Crude	4024	4102	4252	4325						
Algerian NGLs & Condensates	539	538	570	577	582	587	579	585	41	6
Nigerian Condensate	66	94	125	130	140	145	135	135	29	0
Libyan NGLs	15	26	37	43	55	60	49	65	23	16
Total OPEC Africa	4664	4234	4984	5075	NA	NA	NA	NA	NA	NA
Total African Oil	7049	6823	7617	7760						

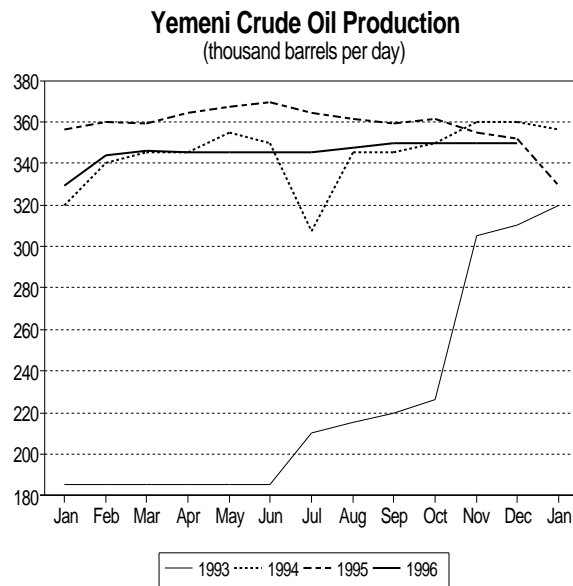
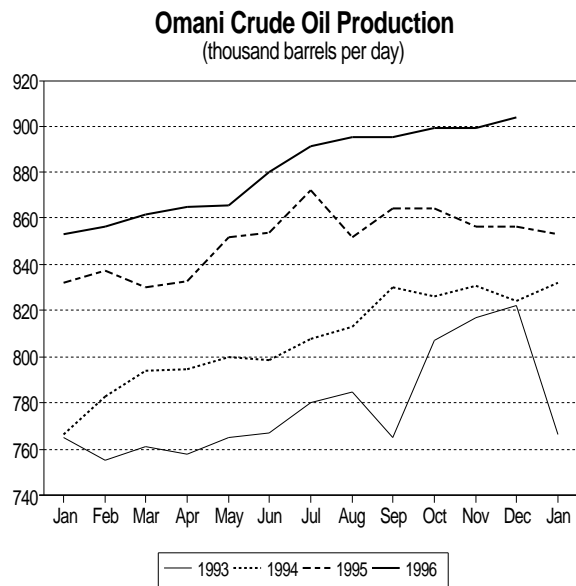
Egyptian crude oil production is reported to have risen by 29 kb/d in May to 890 kb/d as increases from

new fields in both the Gulf of Suez and the Western Desert more than compensated for declines in aging offshore fields. In West Africa, the **Congo's** N'Kossa platform started up on 10 June and should increase production gradually over the next few months and then fairly rapidly in 4Q96, reaching 120 kb/d by the end of the year. New fields are also increasing output from the **Angolan** offshore and the Zafiro field start-up in the next few months will establish **Equatorial Guinea** as a full fledged oil producing nation. Zafiro is slated to reach 40 kb/d by year-end and to double production next year.

The first commercial oil production began in the **Sudan** on 25 June, when output from the Heglig field in southwestern Sudan was trucked to a small refinery about to open at El Obeid in central Sudan. Only about 10 kb/d of the 25 kb/d current production capacity at Heglig is being used and that flow is likely to be interrupted temporarily by washing out of the dirt roads over which the oil must be trucked. Less than 10% of Sudan's roads are paved. Sudan's rainy season typically runs from April to October with the heaviest rains in August and September.

Other Middle East

Production in **Oman** continues its slow rise, with June crude oil output at 880 kb/d, an increase of 14 kb/d from May. A further increase to over 890 kb/d is planned for July and a target of 900 kb/d has been set for 4Q96. Recent pessimism about the near term prospects for Omani production may be overturned if a four-well drilling programme directed at massive deep subsalt deposits proves to be successful. Trade sources indicate as much as 6.5 billion barrels of oil-in-place. Various multilateral, horizontal drilling techniques and advanced fracturing and gravel packing methods are to be tested to demonstrate commercial recovery rates. With stated proven reserves of only 5.1 billion barrels, even a 10% recovery factor for the deep subsalt would substantially increase reserves.



Production in **Yemen** is also expected to begin increasing from the current 345 kb/d before the end of 3Q96 with the restart of production from the Shabwa block, which was suspended at the start of the Yemeni civil war, and continued record production from the Masila field. Next year the 10 kb/d Jannah block and the 30 kb/d Shabwa East Block are scheduled to begin producing, the former at the beginning of the year and the latter just after mid-year. The new fields and additional growth in Masila production are expected to more than compensate for the natural decline in the older Marib area fields, raising crude oil production to 400 kb/d by year-end. Yearly average production in 1997 is expected to be about 25 kb/d higher than in 1996 at just under 380 kb/d.

OECD STOCKS

Industry Stock Changes in May

Following a revised increase of 1.3 mb/d in April, total stock levels are estimated to have risen by 1.2 mb/d, compared with 0.6 mb/d in May 1995. At the end of April, total European stocks were significantly above the previous year's level, while North American stocks were well below. Consistent with this relative position, as shown in the table below, the majority of the stockbuild in May occurred in North America, while European stocks decreased for the first time in May since 1991. Crude oil stock levels continued to increase strongly but the distillate stock increase was comparatively small, reflecting the need to increase gasoline production at the expense of distillate in the US and the impact of exports of European distillate to Asia.

Preliminary Industry Stock Changes in May
(million barrels per day)

	North America	Europe	Pacific	Total
Crude Oil	0.3	-0.1	0.3	0.6
Gasoline	0.1	0.0	0.0	0.1
Distillates	0.2	-0.1	0.1	0.3
Fuel Oil	0.0	-0.1	0.0	-0.1
Other Oil*	0.3	0.0	0.1	0.4
Total Oil	0.9	-0.2	0.5	1.2

* includes other products, feedstocks, NGLs and other hydrocarbons

Preliminary Stock Levels at the End of May

As a result of the relatively large stockbuild in May, the stock deficit compared with last year continued to decrease, reaching 92 mb by the end of the month, equivalent to 2.3 days in terms of forward demand coverage. North America accounted for 81 mb of the decrease but Pacific stocks were also 4% lower, while total European stocks were essentially unchanged. Total stocks of both crude oil and gasoline were close to previous years' level. It is important to note that, although stocks were 92 mb below the previous year's levels they were only 31 mb lower than at the end of 1995. Thus the average stockbuild over the June to December period would only need to be 0.15 mb/d to return end-of-year stocks to the same level as a year earlier. It is recognised that US stocks were at an historically low level at the end of 1995 but there are no indications that the US industry will not continue the "just in time" inventory policy that began last year.

The European data include revisions due to reclassification of stocks between the industry and government-controlled categories. About 17 mb of stocks held by industry for emergency purposes in Germany have been reclassified as government-controlled. Conversely, about 12 mb of stocks previously held for defence purposes in Switzerland are now shown as industry stocks. To simplify historical comparisons, these changes have been made throughout the time period covered in this Report (1993-1996).

Regional Stock Developments in May

In **North America**, a significant increase in crude imports exceeded the effect of a slight increase in refinery throughputs, resulting in a sharp increase in crude oil stocks which reached the highest end of month level for six months. Nonetheless, stocks were 23 mb lower than a year earlier and the low level in the Midwest (PADD II) continued to support WTI prices. With US refiners increasing gasoline yields, the resultant large increase in gasoline production more than offset higher demand and gasoline stock levels continued to rise slowly. As a result, the deficit compared with last year's stock level continued to narrow (see graph on page 29) and stocks were only 1% lower than a year earlier at the end of the month. The distillate stockbuild in the table above was consistent with seasonally lower demand. However, at the end of the month, distillate stocks were 14% lower than a year earlier. Fuel oil stocks increased marginally but also continued to be well below previous years' levels.

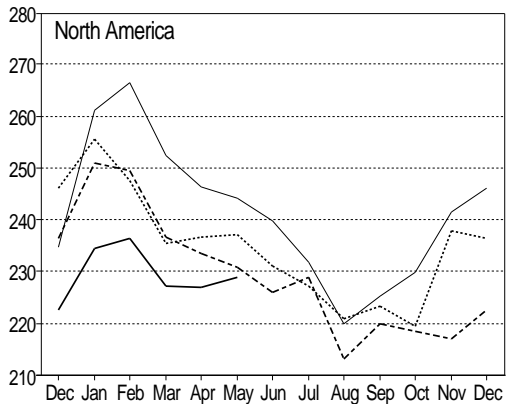
US DOE weekly statistics indicate that, during the first four weeks of June, total inventories increased by 0.4 mb/d. Crude oil and gasoline stocks decreased by 0.1 mb/d while fuel oil stocks were essentially unchanged. Distillate and other oils were assessed to have increased by 0.3 mb/d and 0.1 mb/d respectively. Total gasoline stocks were close to previous years' levels but crude and distillate stocks continued to be lower.

In **Europe**, the sharp increase in crude oil stocks in April, was followed by a slight decrease in May, with lower production and high refinery throughputs more than offsetting higher net imports. Nonetheless, crude stocks were at the highest end of May level for more than five years. The increase compared with a year earlier was primarily in France, Turkey and Norway, while Italian stock levels were 16% lower. As in the case of crude oil, distillate stock levels followed a sharp build in April with a slight decline in May, reflecting a high level of distillate exports. In spite of this atypical decrease, at the end of the month distillate stocks were only 2 mb lower than a year earlier. Fuel oil stock levels decreased slightly and continued to be at historically low levels, with the largest decrease from year earlier levels occurring in Italy.

In the **Pacific** region, with the sharp decrease in refinery throughputs more than offsetting lower imports, crude oil stock levels increased significantly and ended the month 4 mb higher than a year earlier. Gasoline stock levels were essentially unchanged and at the end of the month were close to those at the end of May in 1993 and 1994, but lower than the high level reached in May 1995. With reductions in demand almost matching reductions in supply, distillate stocks continued to rise at about the same rate as in April. However, stocks remained below the seasonally high level of a year earlier (see graph on page 29). Fuel oil stocks declined marginally and also continued to be lower than a year earlier.

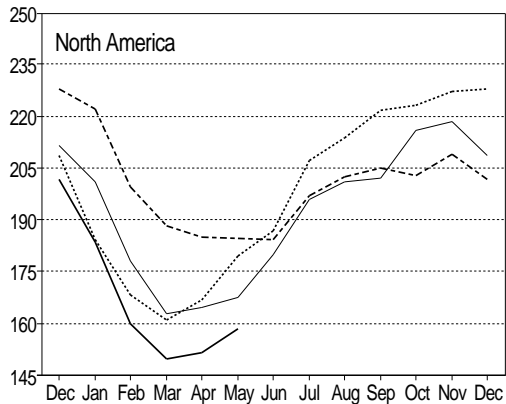
OECD Industry End Month Stocks (million barrels)

Gasoline

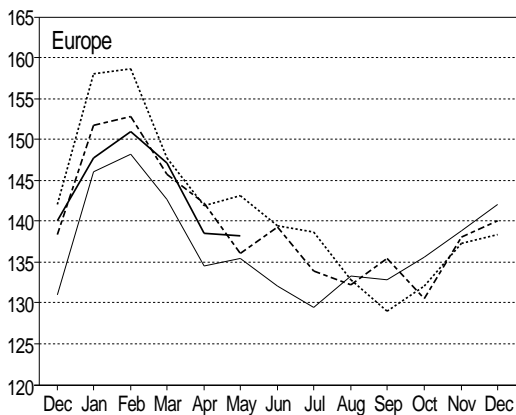


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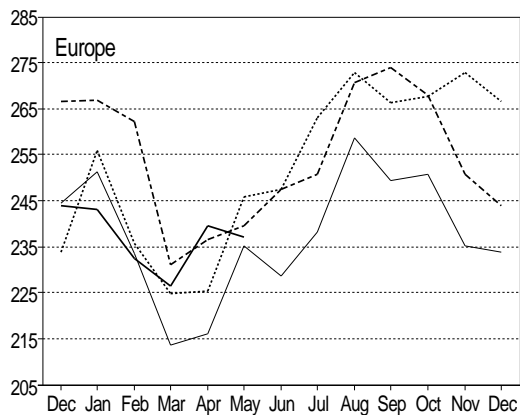
Middle Distillates



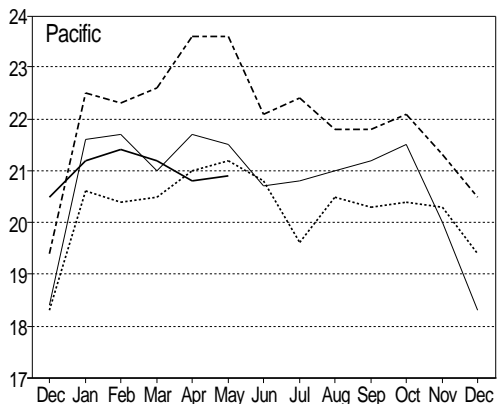
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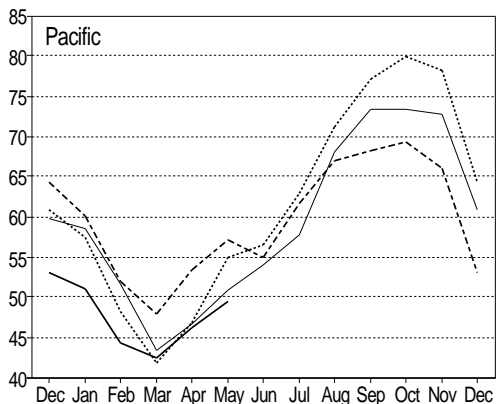
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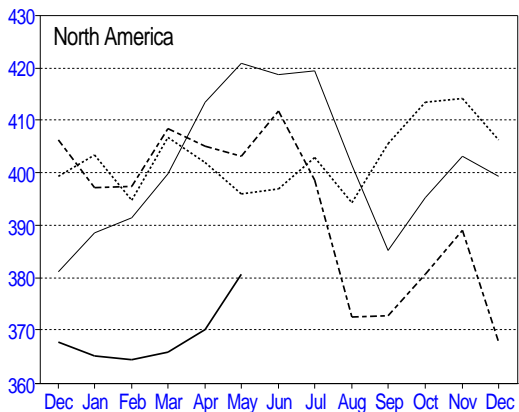
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— 1993 1994 - - - 1995 — 1996

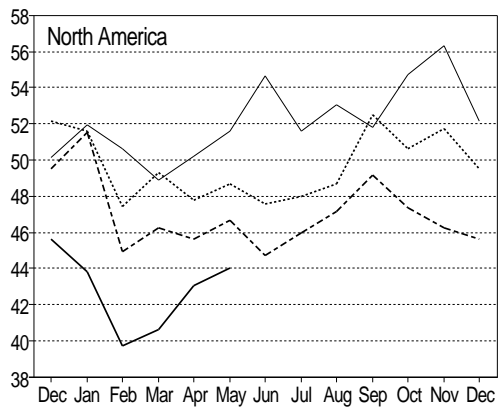
OECD Industry End Month Stocks (million barrels)

Crude Oil

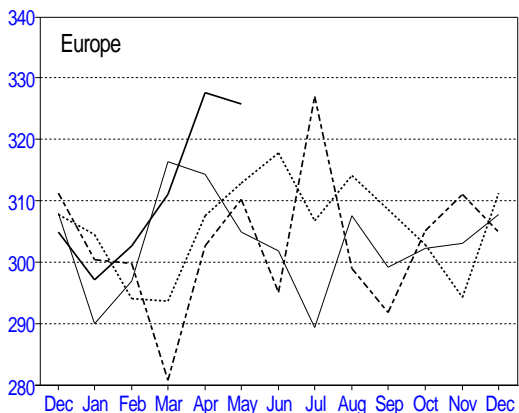


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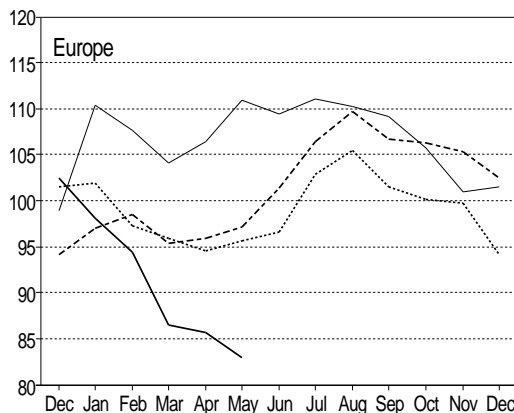
Fuel Oil



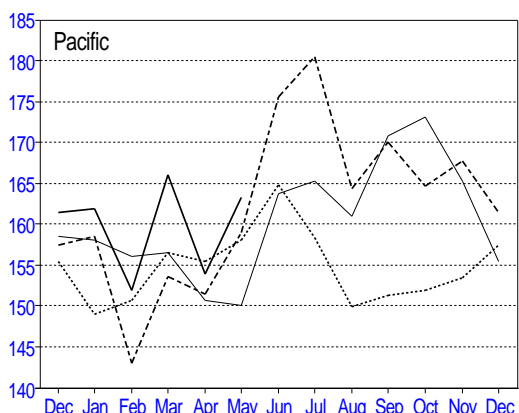
— 1993 1994 - - - 1995 — 1996



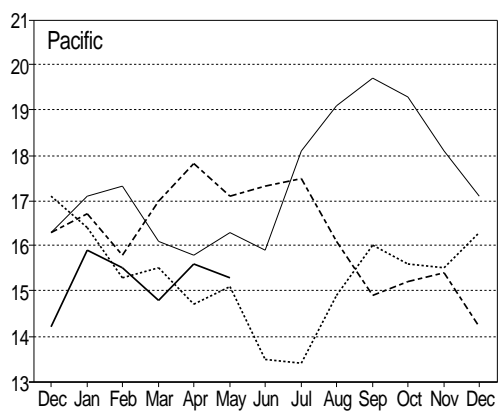
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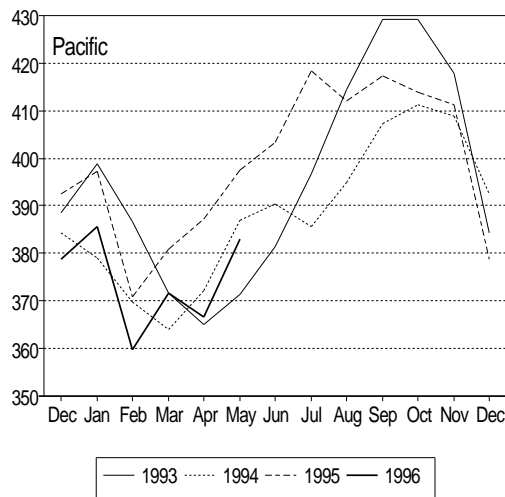
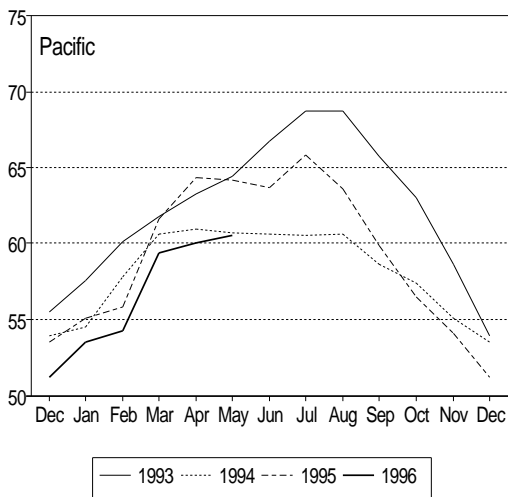
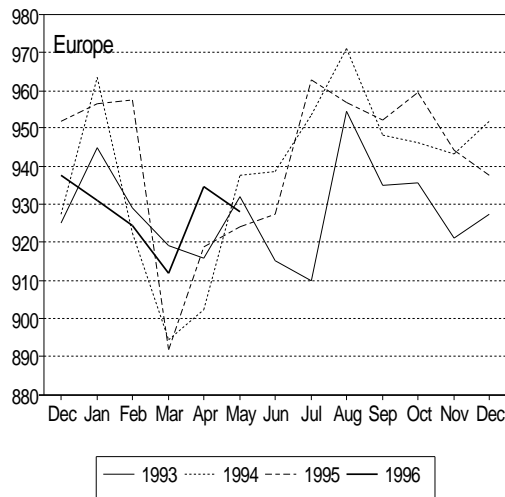
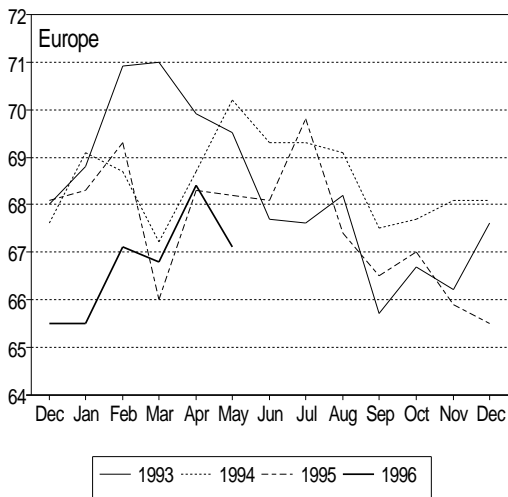
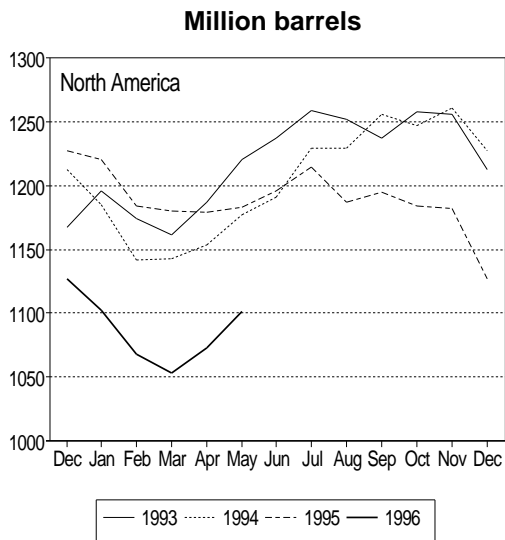
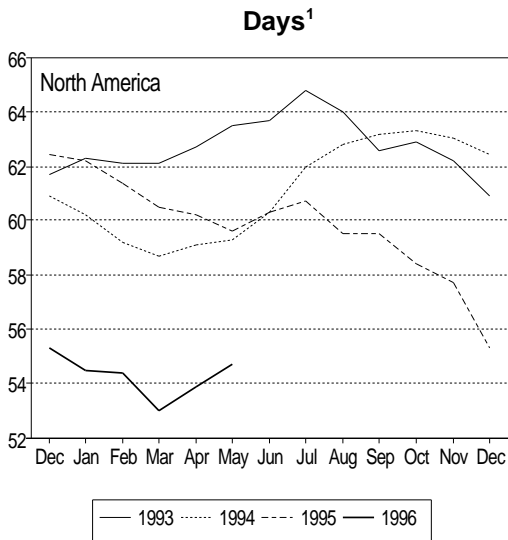


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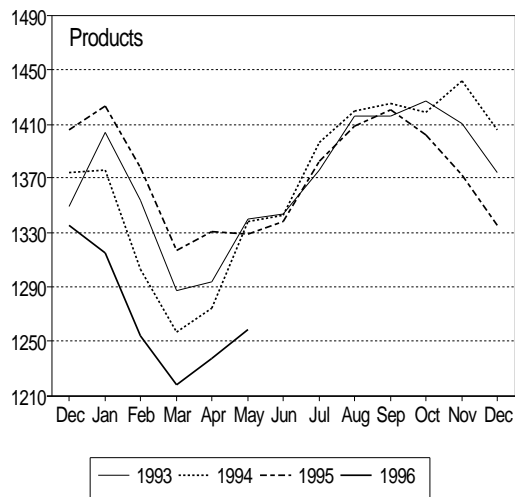
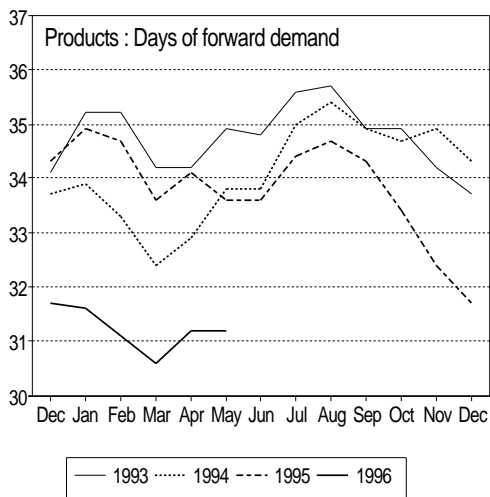
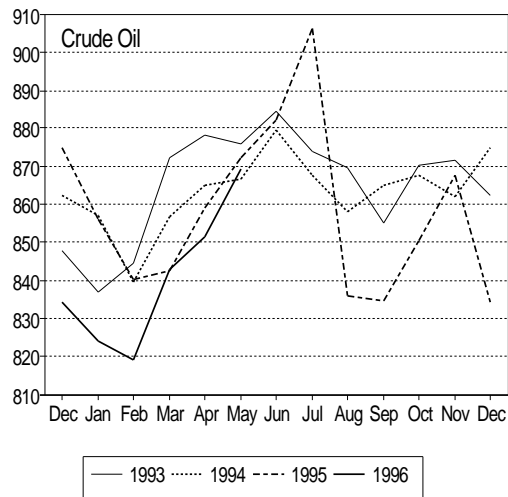
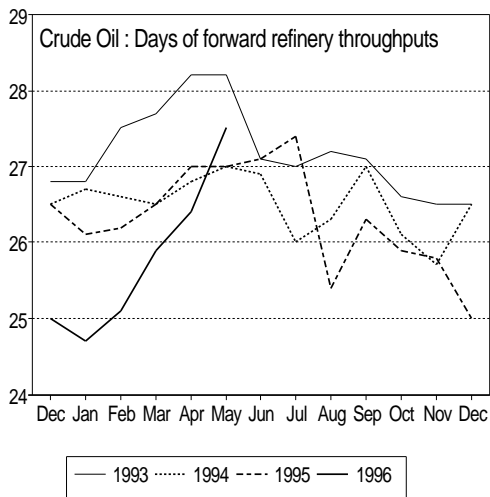
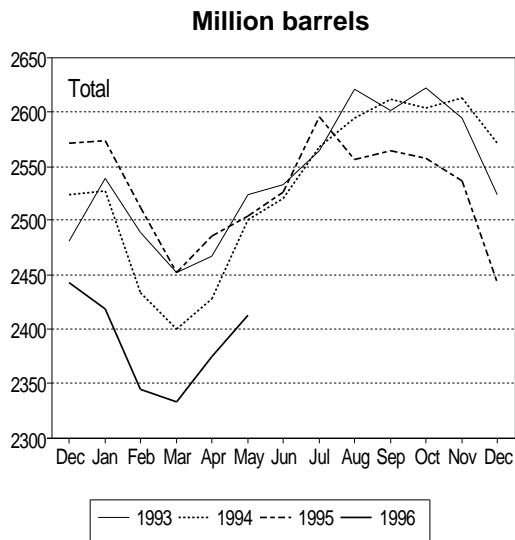
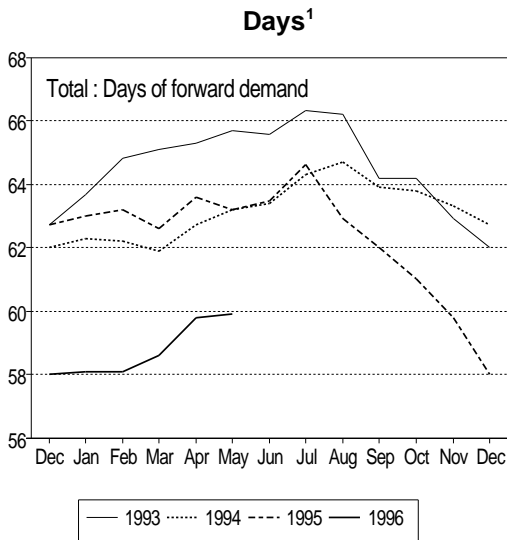
OECD End Month Industry Stocks



1

Days of total stocks are based on demand for the next three months.

OECD End Month Industry Stocks



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

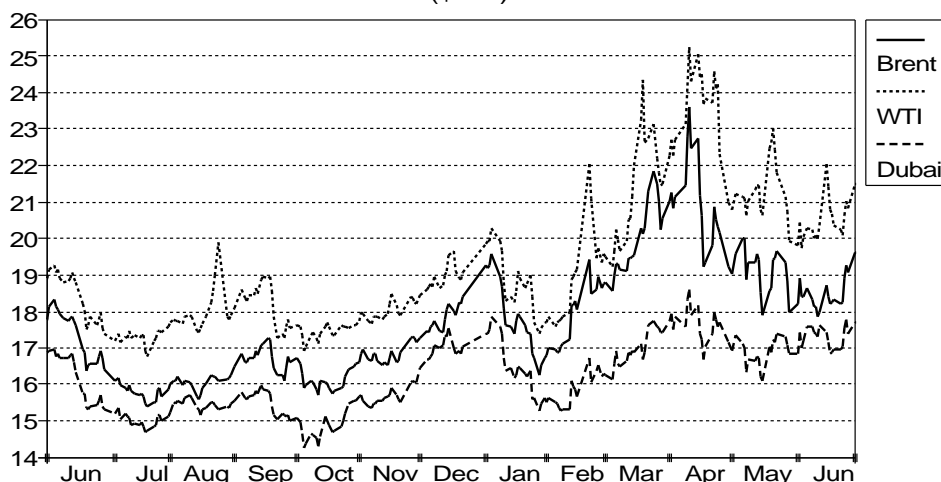
Summary

- After decreasing appreciably in May, Atlantic Basin benchmark crudes remained within a narrow band of roughly \$1.00/bbl during almost all of June. The exception was a (by now familiar) spike in WTI prices prior to the expiry of the WTI futures contract and the rise in crude prices in the last two trading days of the month. The relative stability of Atlantic Basin benchmark crude prices in June was to a large extent due to a lack of certainty about the direction of supply/demand fundamentals, given several events during the month providing conflicting signals. At the end of June, prices increased by about \$1.00/bbl, when a combination of the bomb attack on US installations in Saudi Arabia, the threat of an oil workers' strike in Norway (now averted) and new difficulties between the UN and Iraq caused traders to seek long positions in futures markets. Prices for sour crudes in the Mediterranean continued to decrease relative to those of Brent, consistent with low regional HSFO prices and the market realisation that eventual Iraqi exports into the Mediterranean will compete with current sour crude supplies. Unlike in Europe and the US, average prices for Asian sour and sweet benchmark crudes increased in June. This was mainly due to the firm demand for crude ahead of the approaching end of the Asian refinery turnaround season. The narrowing Brent/Dubai differential attracted a large volume of West African crudes to Asia.
- Average prices for all major products continued to decrease for most of June in all markets, consistent with easing supply tightness, generally higher inventory levels and high refinery production in the US and Europe. Product prices decreased on average by more than those of crude, with the steepest decline occurring in gasoline prices. At the end of June, gasoline and middle distillate prices increased, in particular in the Atlantic Basin, in line with the rise in crude prices and partly due to the rupture of the distillate line of the Colonial Pipeline system.
- With product prices declining by more than those of crude, average refining margins decreased in all major refining centres. The steepest decline occurred in Singapore, where hydroskimming margins turned negative for the first time in 1996. The average Rotterdam cracking margin decreased in June to the lowest level in more than a year and the differential versus the hydroskimming margin widened slightly. The lower hydroskimming margin in Europe provided support to refinery feedstocks as crude substitutes.
- In May, the aggregate refinery throughputs in OECD countries decreased by 0.25 mb/d from the revised April level to 32.2 mb/d, consistent with a sharp decrease in Japanese throughputs (related to the onset of refining turnarounds) and partly offset by increases in Europe, the US and, to a lesser extent, in Australasia. The increase in US and European throughputs mainly reflected firm refining margins in May. Throughput levels in June are thought to have increased in the US and decreased in Japan and Europe.

CIF Crude Import Costs

Table 8 shows that the preliminary weighted average CIF cost for crude imported into IEA countries for April was \$20.71/bbl, \$1.32/bbl higher than in March. The weighted average CIF cost is estimated to have been \$19.35/bbl in May and \$18.55/bbl in June.

Spot Crude Oil Prices
(\$/bbl)



Spot Crude Oil Prices

In June, benchmark crude oil prices remained within a narrow range of roughly \$1.00/bbl, with the exception of a brief spike in WTI prices, attributed to trading activities prior to the expiry of the July WTI futures contract on the NYMEX. This relative stability after two months of volatile and decreasing crude prices (see graph above) reflected generally higher inventory levels, increasing caution and uncertainty about the direction of supply/demand fundamentals in Atlantic Basin crude markets. The uncertainty was linked to a series of events during the month providing conflicting directional signals, such as the *de facto* rollover of the OPEC quotas, the mounting UN-Iraq tensions over weapons inspections and their potential implication for the timing of the resumption of Iraqi oil exports, the bomb attack on US installations in Saudi Arabia, the threat of an oil workers' strike in Norway in early July and appreciably lower refining margins. The latter three developments and the rupture of the distillate line of the Colonial Pipeline system caused prices of Atlantic Basin benchmark crudes, WTI and Brent, to firm appreciably in the last trading days of June and in early July. Monthly average prices declined for WTI and Brent, although by less than last month, and increased for Dubai, as shown in the table below.

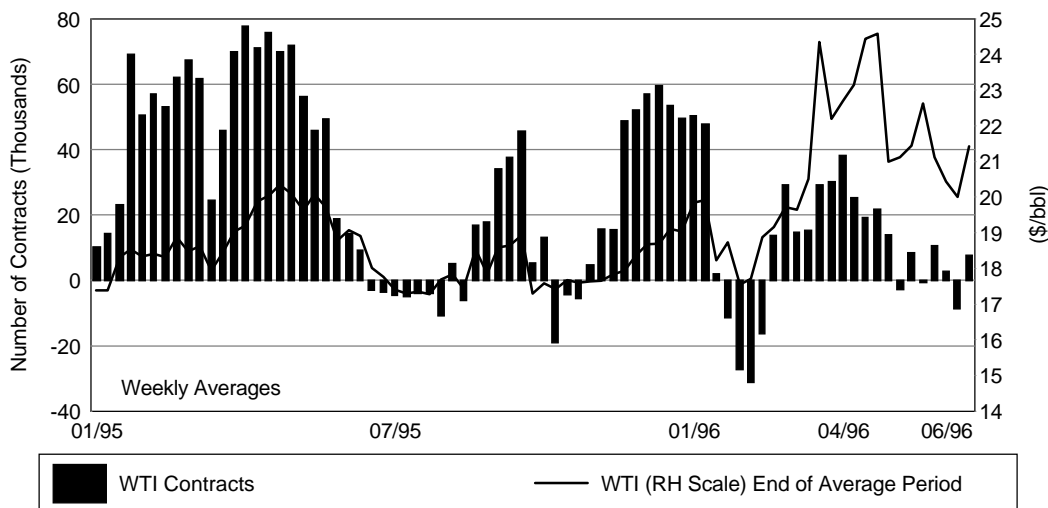
Spot Crude Oil Prices and Differentials

(monthly and weekly averages, \$/bbl)

	Apr	May	Jun	Change	Week Ending:					
					24-May	31-May	07-Jun	14-Jun	21-Jun	28-Jun
Brent Dated	20.98	19.13	18.43	-0.70	19.14	18.72	18.50	18.08	18.37	18.74
Dubai	17.66	16.87	17.25	0.38	17.14	17.06	17.19	17.45	17.05	17.32
WTI	23.59	21.35	20.45	-0.90	22.46	20.60	20.06	20.13	21.06	20.56
Brent over Dubai	3.32	2.25	1.17		2.00	1.66	1.31	0.63	1.33	1.42
WTI over Brent	2.62	2.22	2.03		3.32	1.88	1.55	2.05	2.69	1.81
Brent 1st month minus 2nd month	1.22	0.65	0.41		0.56	0.38	0.37	0.41	0.44	0.43
WTI 1st month minus 2nd month	2.13	1.06	0.74		1.36	0.85	0.74	0.79	0.87	0.56

The uncertainty in Atlantic Basin crude markets can also be inferred from the graph below, showing the net positions of WTI contracts held by non-commercial and non-reporting traders during the first three weeks of June (last three bars). The net positions were consistently at a low level and changed from net long to net short and back again within three weeks. In contrast to the crude contract, the same group of traders remained net long during all of May and in the first three weeks of June on the other two petroleum contracts on the NYMEX, the heating oil contract and the unleaded gasoline contract.

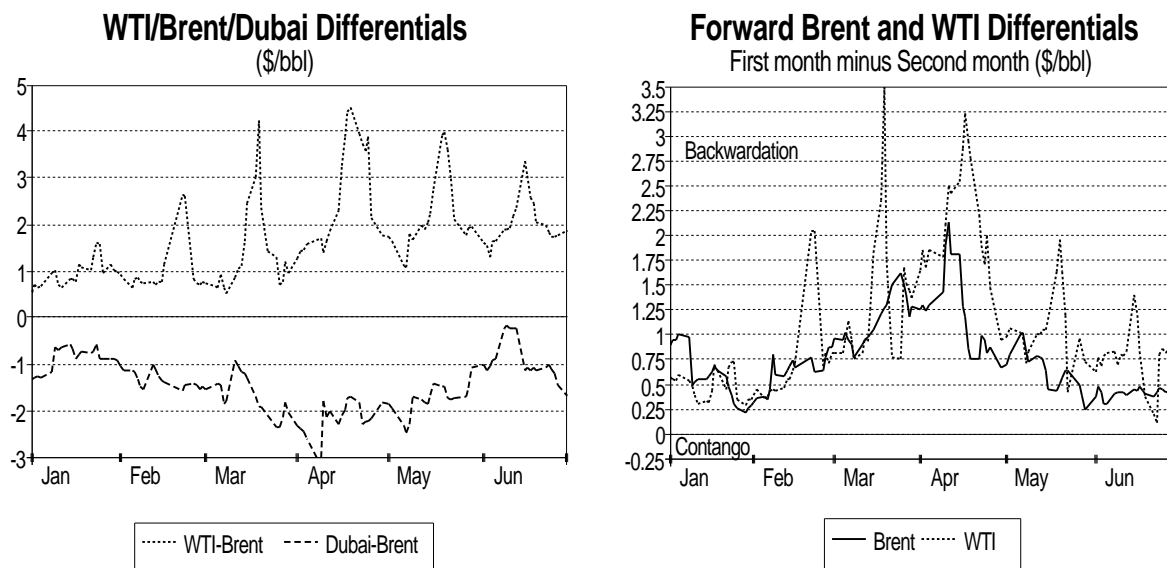
Net Commitments of Non-Commercial and Non-Reporting Traders on NYMEX



SOURCE: CFTC Commitments of Traders

The level of backwardation of Brent remained little changed during June, as shown in the graph below, averaging some \$0.40/bbl, the lowest monthly average for this year, but still almost double the level prevalent for the second half of 1995. The level of backwardation of WTI remained within a narrow band at some \$0.75/bbl for the first half of the month and spiked briefly, though to a lower level than in the previous four months. The spike occurred towards the expiry of the WTI July options contract on the NYMEX, when traders paid increasing premia in order to cover short positions. After the contract's expiry, WTI's level of backwardation decreased sharply but then rebounded to the level prevailing earlier in the month.

With the WTI/Brent spread averaging more than \$2.00/bbl in June, the arbitrage window for transatlantic crude movements from the North Sea remained open throughout the month and some volumes of North Sea and Brent-related West African grades were traded into the US. Firm differentials and weak Mediterranean demand also attracted Urals cargoes to the US.



Spot prices for Dubai, the Asian sour benchmark crude, remained firm and increased on average (in contrast to those of Atlantic Basin benchmark crudes), consistent with strong demand for long-haul Middle Eastern crudes by Asian refiners, with refineries starting up after seasonal maintenance shutdowns during June and July. As a result, the Brent/Dubai differential narrowed, as shown in the graph above, thus making Brent-related West African crudes attractive for Asian refiners, and a number of cargoes of Nigerian, Angolan and Congolese crude have reportedly been traded to China, Thailand and Taiwan. Reports suggest that the unusually high volume of West African grades moving to Asia (with an estimated 700 kb/d for July delivery being almost the double of last summer's volume) might also be linked in part to the start-up of new Asian refining capacity and higher Asian demand for sweet crude due to the tightening of regional sulphur specifications for middle distillates and fuel oil.

Average prices increased for sweet Asian benchmark crudes, Tapis and Minas, in both absolute terms and relative to Brent in the first three weeks of June, consistent with firm regional demand for crude for July and August delivery due to the approaching end of regional refinery maintenance shut downs. However, in the last week of June, spot prices decreased markedly relative to those of Brent, when the market perceived an increased likelihood of throughput reductions by Singapore refiners as a result of continuing low regional refining margins.

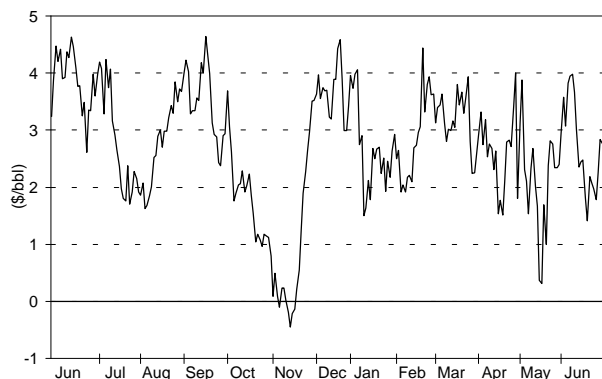
The Brent/Urals differential started to widen in the last decade of May, when sharply decreasing HSFO prices combined with the market perception that Iraqi crude exports through Turkey into the Mediterranean would compete with current sour crude supplies. It continued to widen to some \$1.33/bbl by mid-June, the highest level in eleven months, in line with weak demand and low refining margins. However, in the second half of June, the spread narrowed again to some \$1.10/bbl, mainly supported by renewed demand by refiners and the impact of firm bunker demand on HSFO prices. The Brent/Iranian Heavy spread remained little changed at about \$2.00/bbl throughout June.

Spot Product Prices in June

US spot **gasoline** prices continued their downward trend in June despite numerous refinery problems on the US East Coast, mainly due to easing tightness in a well supplied market, where gasoline imports averaging almost 500 kb/d and high production combined with indications of lower-than-expected demand (see Demand section). Just before rising again at the end of June in line with rising crude prices, spot gasoline prices reached their lowest level since March. The continuing weakening of gasoline prices during June contributed to a change in the market perception of US gasoline fundamentals with a growing belief that, as in recent years, the seasonal peak in gasoline markets had passed by the end of June. The gasoline/crude differential, which decreased appreciably in May, continued to decrease slightly to values well below the level during last year's peak driving season.

European gasoline prices, which decreased appreciably during May, increased slightly in the first half of the June, mainly supported by the renewed opening of the transatlantic arbitrage possibility (see graph to the right) and from demand into Germany, Poland and the Baltic. However, the continuing decline in US gasoline prices caused the transatlantic arbitrage window to close again by mid-month. This in turn exerted downward pressure on European prices, which decreased during the second half of the month, closely in line with the decrease in the price of the unleaded gasoline contract on the NYMEX. However, in the last trading days of June and in early July prices increased, following the price rise in the US. Some European refiners reportedly resorted to selling gasoline cargoes to the US in the absence of opportunities in Europe, even after the arbitrage window had closed. Gasoline prices in the Mediterranean closely followed those in Rotterdam, though on a slightly higher level, supported by firm local demand.

**Spot Gasoline Differential
New York - Rotterdam**



Spot gasoline prices in Singapore increased briefly early in the month due to pockets of regional demand, but declined towards the end of June in an amply supplied market which increasingly came under pressure from weak demand due to the end of the regional refinery turnaround season in Korea and Japan and the arrival of export cargoes from the Middle East, the Mediterranean and from Australia. However, spot prices at the beginning of July were only \$0.60/bbl lower than at the start of June.

Spot Product Prices
(monthly and weekly averages, \$/bbl)

	Gasoline				Gas Oil				Low Sulphur Residual Fuel Oil			
	Rotterdam	Med	NY Harbour	Singapore	Rotterdam	Med	NY Harbour	Singapore	Rotterdam	Med	NY Harbour	Singapore
April	24.83	26.57	27.44	25.14	24.94	24.51	27.89	25.56	18.17	19.10	19.95	17.31
May	25.14	26.66	27.24	26.30	22.48	21.94	23.87	26.52	17.41	17.39	17.77	18.74
June	21.61	23.30	24.33	23.60	22.05	20.82	21.60	24.32	15.13	15.49	16.96	17.53
Jun-May:	-3.52	-3.36	-2.91	-2.71	-0.43	-1.13	-2.28	-2.20	-2.28	-1.90	-0.81	-1.22
Week ending:												
24 May	24.17	25.90	26.30	26.10	22.64	22.29	22.95	26.75	17.27	16.56	16.80	18.76
31 May	22.56	24.73	24.92	24.79	22.65	22.24	22.38	25.94	16.85	16.46	16.98	18.40
07 June	21.02	23.32	24.49	23.36	22.16	21.51	21.37	24.58	15.25	15.17	16.97	17.83
14 June	21.52	23.47	24.61	24.08	21.76	20.69	21.33	23.85	14.95	15.32	16.88	17.48
21 June	22.19	23.53	24.18	23.94	22.09	20.68	21.77	24.05	15.25	15.90	17.05	17.62
28 June	21.73	22.86	24.05	23.01	22.17	20.40	21.92	24.80	15.05	15.59	16.96	17.17

* Gasolines are unleaded conventional regular in Rotterdam and New York Harbour and unleaded 95 in Singapore and Med. Low Sulphur Residual Fuel Oils are 1.0% LSFO in Rotterdam, Med and New York Harbour and, as from 1 April 1996, mixed/cracked low sulphur waxy residue fob Indonesia.

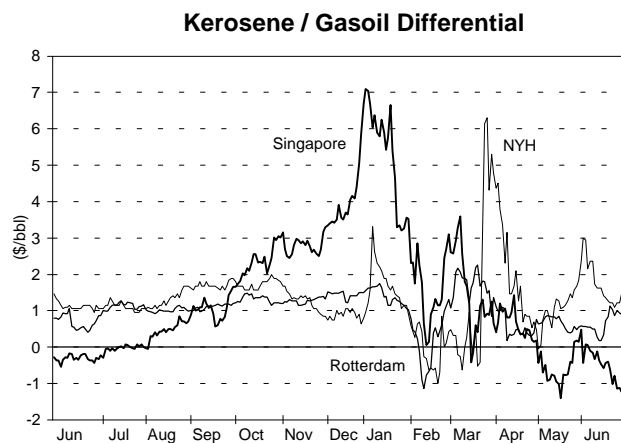
Average **Naphtha** prices in Northwest Europe and in the Mediterranean decreased appreciably at the end of May and traded within a very narrow band throughout June, reflecting slack petrochemical demand and limited demand for reformer naphtha in line with the European gasoline oversupply. The naphtha/crude differential decreased to near parity level by the end of June in Rotterdam and to below parity level in the Mediterranean. The gasoline/naphtha differential, reflecting the **reforming margin**, increased in line with

the rise in European gasoline prices in the first half of the month and contracted slightly with their decrease in the second half of the month. Spot naphtha prices in Singapore traded within a narrow band throughout June, supported by re-emerging naphtha demand from Korean petrochemical plants returning from maintenance shutdowns. Average naphtha prices decreased by \$1.75/bbl in the Mediterranean, by \$1.74/bbl in Rotterdam and by \$0.72/bbl in Singapore.

Spot **gasoil** prices in the US and in Rotterdam remained little changed during most of June and traded within a narrow band at the level they fell to by the end of May, as a result of seasonally easing demand, rising stocks and comparably high production levels at refineries. The supply/demand balance for Atlantic Basin gasoil markets eased to a point where the gasoil futures on the NYMEX moved into contango. However, in the last days of the month spot gasoil prices increased on the US East Coast and in Europe following the rupture of the distillate line of the Colonial Pipeline system and in tandem with rising crude prices.

Spot gasoil prices in the Mediterranean drifted lower during the month, as a result of limited demand combined with a lower-than-expected volume for India's July high-speed diesel tender, and with ample supplies. Towards the end of June, gasoil prices increased in the Mediterranean, consistent with those in the Atlantic Basin. In Singapore, spot gasoil prices decreased slightly during the first half of the month, when abundant supply combined with low regional demand and incoming export volumes from the Mediterranean. In the second half of the month prices firmed, following the rise in regional crude prices. For the first time, the Indian Oil Corporation has reportedly issued a tender to buy 0.25% sulphur high-speed diesel in a move to lower the sulphur content of diesel used in India. India has recently mandated four metropolitan areas to use 0.5% sulphur gasoil, with a target for the entire country to move from 1% to 0.5% in April 1997.

Kerosene prices moved mainly in line with those of gasoil in all three markets. In Asia, prices came under increasing downward pressure from a combination of low seasonal demand and ample supplies. The kerosene/gasoil differential in Singapore became negative once more in June, as shown in the graph to the right, rising to a kerosene discount to gasoil of more than \$1.00/bbl by the end of the month. In contrast, the US kerosene premium to gasoil spiked in late May/early June, rising to almost \$3.00/bbl, reflecting the tightening supply situation on the US East Coast following a number of refinery outages. As the supply tightness eased, the differential narrowed again to about \$1.00/bbl.



In the US, spot **LSFO** prices remained almost unchanged throughout the month in a tightly balanced market. The availability of West African straight-run fuel oil at parity with cracked material exerted downward pressure on prices in the first half of the month but prices gained support in the second half of the month from rising natural gas prices in the US (which reached fuel oil parity), causing a few East Coast utilities to stock up with LSFO ahead of the summer air-conditioning demand peak. European LSFO traded within a narrow band, despite limited demand by Italy's ENEL.

In contrast to stable LSFO prices in the Atlantic Basin, **LSWR** prices drifted lower, reflecting ample supply and sluggish demand, mainly due to the end of the regional refinery turnaround season and the limiting effect of mild weather on utility demand.

Spot **HSFO** prices in the Mediterranean decreased by more than \$6.00/bbl in the second half of May and early June (see graph below). They bottomed out and then increased slightly (by about \$1.00/bbl) towards the end of June, mainly due to firm bunker demand and product demand for arbitrage exports to Asia. However, prices remained under pressure as ample Russian and Turkish supplies combined with low demand from Iberia and Italy where the end of the regional drought increased availability of hydroelectric power.

After decreasing appreciably in late May, spot HSFO prices in Singapore increased during June, mainly supported by rising regional demand, in particular, from China. Unlike in Europe and Singapore, US HSFO prices remained almost unchanged in June, supported by demand into Mexico, where low water levels have limited the production of hydropower.

The average LSFO/HSFO differential in the Mediterranean increased to an unusually wide \$6.63/bbl due to the steep decline in HSFO prices and contracted slightly on the US Atlantic Coast and in Rotterdam to \$2.41/bbl and \$1.64/bbl respectively.

The premium for Russian atmospheric residue (E4) over HSFO, which dropped briefly to below \$1.00/bbl at the beginning of June, increased progressively during the month, consistent with lower hydroskimming margins and atmospheric residue's growing attractiveness as a crude substitute. The average spread for the month increased by \$0.38/bbl to \$1.26/bbl.

End-User Product Prices

In June, mid-month end-user prices of transportation fuels decreased in almost all countries shown in Table 9, consistent with the decline in spot gasoline and gasoil markets during May and early June. The exception was Japan, where gasoline prices remained unchanged and diesel prices continued to increase for the third month. Tight supplies combined with the new wholesale pricing scheme, which major refiners introduced in April following the liberalisation of oil product imports, have helped prices of kerosene and gasoil to rise in Japan.

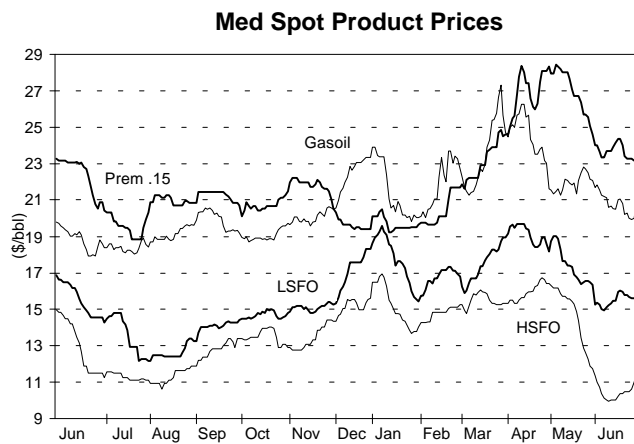
The steepest decline in transportation fuel prices, on both a monthly and yearly basis, occurred in the UK, where the price war between branded and unbranded retailers continued. In the US, gasoline prices decreased by less than in the European countries reported in Table 9, reflecting the tighter supply situation.

In contrast to automotive diesel prices, heating oil prices for domestic consumers showed no consistent trend, decreasing in the UK, France and Italy and increasing in Germany, Spain, Japan and the US. However, diesel end-user prices and heating oil prices remained at appreciably higher levels on a year-on-year basis in all countries shown in Table 9, except in the UK where the ongoing price war depressed automotive diesel prices on a year-on-year basis.

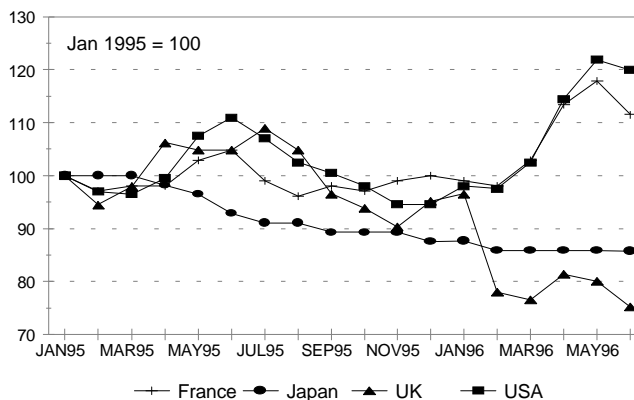
Mid-month heavy fuel oil prices for industry decreased significantly in all European countries shown in Table 9, consistent with the steep decline in European spot fuel oil markets. Prices were also appreciably lower on a year-on-year basis, despite higher spot crude oil prices.

Refining Margins

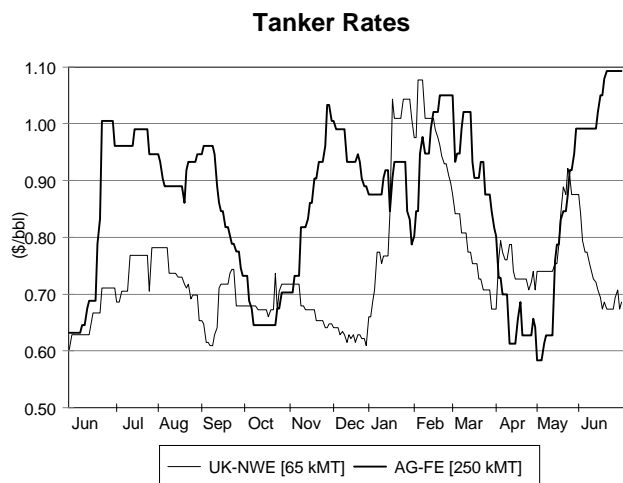
Refining margins decreased appreciably in June in all major refining centres following three months of firm and rising margins. This was mainly due to the steeper decline of spot product prices, in particular of gasoline, compared to those of spot crude oil. The average netback values for benchmark crudes (see Gross Product Worth values in Table 8) declined by some \$1.70/bbl in Singapore, by \$1.80/bbl in Rotterdam and by \$2.20/bbl in New York Harbour. With product values less volatile than in the previous months, refining margins mainly mirrored the changes in benchmark crude prices.



End-User Gasoline Prices
Local Currency Basis - Excluding Tax



The Singapore Dubai hydroskimming margin decreased by significantly more than margins in Europe and in the US, falling by some \$3.00/bbl from May highs, and turned negative for the first time in 1996. The steep decline was mainly due to the price decrease in all major products in the second half of May and was aggravated by the steep rise in tanker rates from the Arabian Gulf to the Far East (see graph to the right) and by the average rise in regional benchmark crude prices.



The average Rotterdam Brent cracking margin decreased in June to the lowest level in more than a year, in line with the steep decrease in gasoline, naphtha and fuel oil prices relative to those of crude. The decrease in the Rotterdam

gross product worth was in part compensated for by the decline in tanker rates from the North Sea, which supported the margin. The differential between the Rotterdam cracking and hydroskimming margins increased slightly, reflecting the weakening of fuel oil prices in Europe.

The average US Gulf Coast cracking margin for WTI decreased appreciably in June (dropping by more than the sweet cracking margin in Rotterdam) and was less volatile than in previous months, remaining within a comparatively narrow band for the last three weeks of June.

Refining Margins in Major Refining Centres

(monthly and weekly averages, \$/bbl)

	April	May	June	Change	Week Ending:					
					24 May	31 May	07 Jun	14 Jun	21 Jun	28 Jun
NW Europe										
Brent (Hydroskimming)	-0.61	0.29	-0.84	-1.14	0.01	-0.08	-0.98	-0.68	-0.61	-1.10
Brent (Cracking)	1.34	2.00	0.99	-1.02	1.62	1.50	0.77	1.10	1.29	0.78
US Gulf Coast										
Brent (Cracking)	3.50	3.88	2.37	-1.52	3.23	2.62	2.74	2.65	2.35	1.73
WTI (Cracking)	1.95	2.81	1.50	-1.31	1.10	1.96	2.41	1.83	0.81	0.96
Singapore										
Dubai (Hydroskimming)	1.53	2.17	-0.20	-2.36	1.66	0.84	-0.11	-0.52	0.15	-0.31

Refinery Crude Throughputs in May

The aggregate refinery throughputs for May in OECD countries decreased by some 0.25 mb/d to 32.2 mb/d from the revised April level, with increases in Europe, in the US and, to a lesser extent, in Australasia offset by a sharp decrease in Japan. Total throughputs were 0.8 mb/d or 2.7% higher than a year earlier, mainly reflecting the impact of low product stocks and good refining margins.

Preliminary data suggest that total crude throughputs in distillation units in Europe increased by 0.3 mb/d to just over 12.5 mb/d, the highest May throughput level in more than eight years. Total throughputs were 0.8 mb/d or 6.6% higher than in May last year. The increase in European throughput levels occurred in all countries with the exception of Belgium and Spain, where throughput levels decreased slightly. Crude throughputs in the US increased in May by 0.2 mb/d to 14.3 mb/d, and were almost unchanged on a year-on-year basis. Refinery utilisation, based on operating refinery capacity, increased by 1.2% in May.

Japanese crude throughputs decreased by almost 0.8 mb/d in May to 3.6 mb/d, reflecting the peak in seasonal refinery maintenance, traditionally occurring in May/June. Total throughputs were almost unchanged from levels a year earlier.

Supported by firm middle distillate demand and still favourable, though decreasing refining margins, Singapore refineries again operated near capacity in May, with throughputs at 1.18 mb/d.

In June, refinery throughputs are thought to have decreased slightly in Europe in line with weakening refining margins and to have further decreased in Japan, reflecting the peak in seasonal refinery maintenance shutdowns. Weekly US statistics for the first three weeks of June suggest that throughput levels increased by about 0.2 mb/d.

Refinery Crude Throughput in OECD Countries

	million barrels per day					% change from previous year		
	Jan	Feb	Mar	Apr	May*	Jan-May 1996*	May	Jan-May
OECD Europe	12.72	12.86	12.17	12.24	12.53	12.50	6.6	4.8
France	1.77	1.73	1.64	1.66	1.72	1.70	9.8	11.5
Germany	2.09	2.10	1.99	2.01	2.08	2.05	-1.0	-2.3
Italy	1.71	1.79	1.67	1.41	1.46	1.61	-2.7	2.8
Netherlands	1.25	1.22	1.04	1.17	1.19	1.17	0.7	5.3
UK	1.71	1.68	1.71	1.76	1.78	1.73	11.0	5.4
US	13.71	13.53	13.76	14.12	14.31	13.89	-0.3	0.6
Canada	1.33	1.40	1.40	1.28	1.27	1.34	9.5	3.9
Japan	4.67	4.67	4.52	4.37	3.58	4.36	0.0	-1.8
Australia/New Zealand	0.57	0.54	0.47	0.48	0.53	0.52	-2.6	-3.9
OECD Total	33.00	33.00	32.30	32.48	32.22	32.60	2.7	1.9

* estimated

Industry Developments

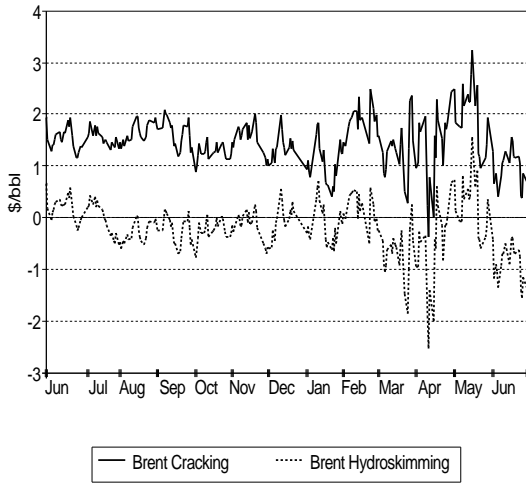
Conoco and Phillips ended the discussions, referred to in last month's Report, on merging their downstream operation in the US. The parties were reportedly unable to reach agreement on significant commercial issues.

Germany's PCK Schwedt refinery announced plans to cut its crude distillation capacity by some 1.5 million tonnes per year (30 kb/d) by closing down one crude distillation unit and modernising the remaining two. This change is reportedly being made to bring primary distillation capacity in line with recent changes to the refinery's conversion capacity and contributes to a further decrease in total European refining capacity.

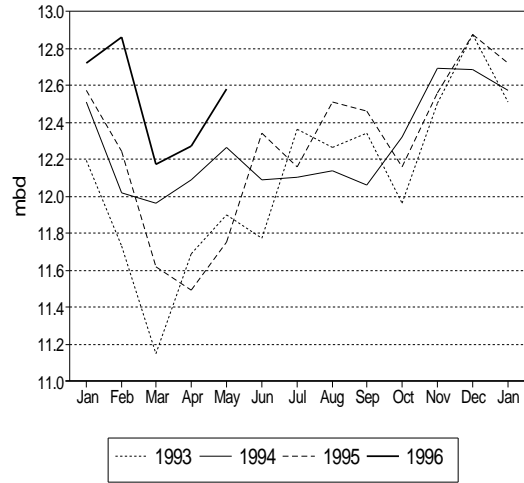
Marcus Hook refinery, which was shut down in January due to labour disputes in the context of its sale by BP to Tosco, is reportedly unlikely to start up before the middle of next year, even if these disputes were settled, since the new owner plans to reconfigure the refinery in order to improve its profitability.

By winning an open tender, the Dutch trading house Vitol acquired control over Kazakhstan's largest refinery, the 130 kb/d Chimkent refinery.

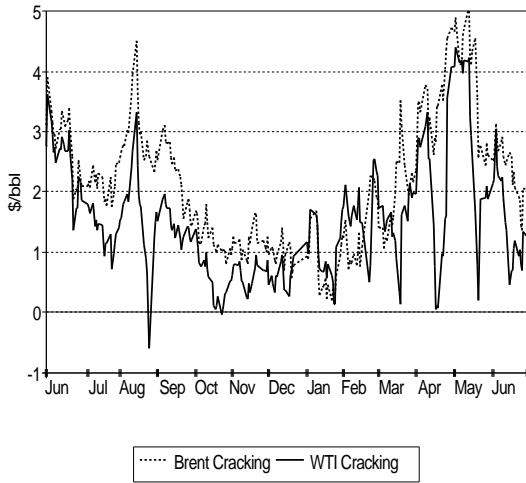
Rotterdam Refining Margins



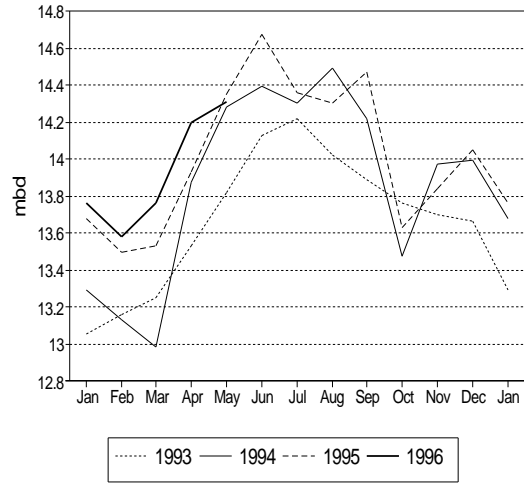
OECD Europe Crude Throughputs



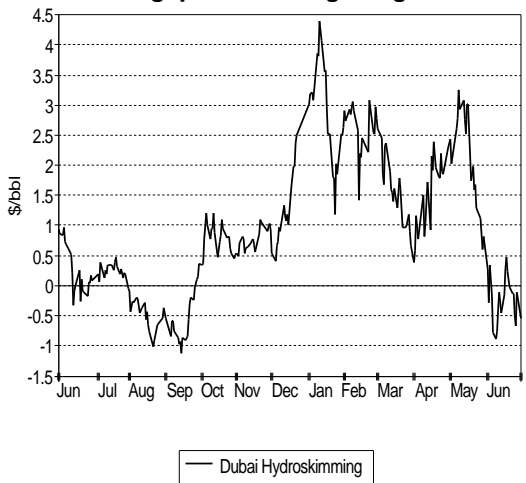
US Gulf Refining Margins



US Crude Throughputs



Singapore Refining Margins



Japan Crude Throughputs

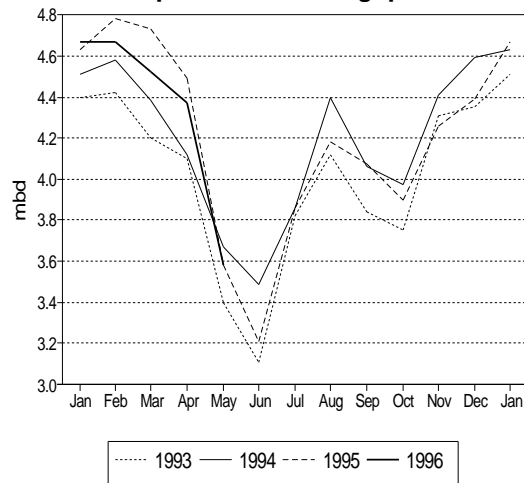


Table 1
WORLD OIL SUPPLY AND DEMAND
(million barrels per day)

	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	19.5	19.7	19.9	19.7	19.7	19.5	19.8	20.1	19.8	20.4	19.9	20.3	20.4	20.2
Europe	13.6	13.6	13.7	13.3	13.5	14.0	13.6	14.0	13.5	13.6	14.3	13.9	14.4	13.7	13.9	14.5	14.1
Pacific	6.3	6.3	7.1	6.0	6.4	7.0	6.6	7.3	6.2	6.3	7.0	6.7	7.4	6.3	6.4	7.0	6.8
TOTAL OECD	38.9	39.1	40.7	38.8	39.7	40.9	40.0	41.0	39.2	39.8	41.4	40.3	42.1	39.8	40.7	41.9	41.1
NON-OECD																	
FSU ¹	7.1	5.7	5.3	4.4	4.6	4.9	4.8	5.1	4.5	4.5	4.9	4.8	4.8	4.3	4.3	4.9	4.6
Europe	1.3	1.3	1.4	1.3	1.3	1.4	1.3	1.4	1.4	1.3	1.4	1.4	1.5	1.4	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	7.1	7.9	7.4	8.1	7.8	7.6	8.4	8.0	8.7	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	6.0	6.0	6.0	6.1	6.3	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	28.1	29.7	28.7	30.0	29.1	28.9	30.6	29.6	30.7	29.9	29.9	31.7	30.5
TOTAL DEMAND³	67.5	67.7	69.8	66.6	67.9	70.5	68.7	71.0	68.3	68.7	71.9	70.0	72.8	69.7	70.5	73.6	71.7
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	11.0	10.8	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	6.7	6.3	6.6	6.6	6.7	7.6	6.9
Pacific	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.6	0.7	0.7	0.8	0.9	0.8	0.8
TOTAL OECD	16.6	16.8	17.5	17.4	17.4	18.3	17.6	18.1	17.7	17.8	18.4	18.0	18.3	18.2	18.5	19.6	18.6
NON-OECD																	
FSU	8.9	7.9	7.1	7.1	7.3	7.3	7.2	7.1	7.2	7.1	7.2	7.2	7.1	7.1	7.2	7.3	7.2
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	3.0	3.0	3.1	3.1	3.2	3.2	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	2.1	2.1	2.1	2.2	2.1
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	6.5	6.6	6.7	6.7	6.6
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	1.9	1.9	1.9	1.9	1.9
Africa	2.3	2.3	2.3	2.3	2.4	2.5	2.4	2.5	2.6	2.6	2.6	2.6	2.6	2.7	2.8	2.9	2.7
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	41.2	40.8	41.1	40.8	41.3	42.6	41.5	42.5	42.1	42.5	42.9	42.5	43.3	43.4	44.0	45.5	44.1
OPEC																	
Crude	23.8	24.4	24.7	24.6	24.6	24.8	24.7	24.8	24.9	25.2	25.3	25.1	25.7	25.7			
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	2.5	2.6	2.7	2.8	2.6
TOTAL OPEC	25.9	26.7	27.0	27.0	27.0	27.3	27.0	27.2	27.3	27.6	27.8	27.5	28.2	28.2			
TOTAL SUPPLY⁵	67.1	67.4	68.1	67.8	68.3	69.9	68.5	69.7	69.4	70.2	70.7	70.0	71.5	71.6			
STOCK CHANGE AND MISCELLANEOUS																	
REPORTED OECD																	
Industry	-0.1	0.1	-1.4	1.3	1.0	-0.4	0.1	-1.3	0.7	0.4	-1.3	-0.4	-1.2	1.3			
Government	0.1	0.1	0.1	0.0	0.0	0.1	0.1	0.1	-0.1	0.1	0.1	0.0	0.0	-0.1			
TOTAL OECD	0.0	0.2	-1.3	1.3	1.0	-0.3	0.2	-1.2	0.7	0.5	-1.3	-0.3	-1.2	1.2			
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	0.3	0.1	-0.2	0.1			
Miscellaneous to balance ⁶	-0.4	-0.6	-0.3	-0.3	-0.4	-0.2	-0.3	0.2	0.3	0.4	-0.3	0.2	0.1	0.6			
TOTAL STOCK CH. & MISC.	-0.4	-0.3	-1.7	1.1	0.4	-0.6	-0.2	-1.3	1.2	1.4	-1.2	0.0	-1.3	1.9			
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	2.2	2.4	2.3	2.8	2.8	2.3	2.6
Call on OPEC crude + Stock ch. ⁷	24.2	24.7	26.3	23.5	24.1	25.5	24.9	26.1	23.7	23.8	26.5	25.0	27.0	23.7	23.8	25.3	24.9
Total Demand ex. FSU (mb/d)	60.4	62.0	64.4	62.2	63.3	65.6	63.9	65.9	63.7	64.2	67.0	65.2	68.1	65.4	66.2	68.6	67.1
Total Demand ex. FSU (% ch.) ⁸	3.0	2.6	3.5	3.1	3.3	2.2	3.0	2.2	2.5	1.5	2.1	2.1	3.3	2.6	3.1	2.4	2.9

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	-	-	-	0.1	-	0.1	-	0.1	-	-	-	-	-	-	0.1	-	-
Europe	-	-	-	-	-	-	-	-	-	-	-	0.1	0.1	-	-	-	-
Pacific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL OECD	-	-	-	0.1	-	0.1	-	-	-	0.1	-	-	-	-	0.1	-	-
NON-OECD																	
FSU	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-	-	-	-
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Asia	-	-	-	-	-	-	-	-	-	-	-0.1	-	0.1	-	-	-	-
Latin America	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Middle East	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Africa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NON-OECD	-	-	-	-	-0.1	-	-	0.1	-	-	-	-	0.1	-	-	-	-
TOTAL DEMAND	-	-	-	-	-	-	-	0.1	-	-	-	0.1	0.1	-0.1	-	-	0.1
SUPPLY																	
OECD																	
North America	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-	-	-	0.1
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-0.1	-	-
Pacific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-0.1	-
TOTAL OECD	-	-	-	-	-	-	-	-	-	0.1	0.1	-	-	-	-0.1	-	-0.1
NON-OECD																	
FSU	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Asia	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-0.1	-	-0.1
Latin America	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-	-
Middle East	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-0.1	-0.1	-0.1
Africa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Processing Gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NON-OPEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OPEC																	
Crude	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NGLs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL OPEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL SUPPLY	-	-	-	-	-	-	-	-	-	0.1	-	-	-0.1	-	-	-	-
STOCK CHANGE AND MISCELLANEOUS																	
REPORTED OECD																	
Industry	-	-	-	-	-	-	-	-	-0.1	-	-	-	-0.1	-	-	-	-
Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL OECD	-	-	-	-	-	-	-	-	-	-	-	-	-0.1	-	-	-	-
Floating Storage/Oil in Transit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous to balance	-	-0.1	-	-	-	-	-	-	0.1	-0.1	-	-	-0.1	-	-	-	-
TOTAL STOCK CH. & MISC.	-	-0.1	-	-0.1	-	-	-	-0.1	0.1	-	0.1	-	-0.2	-	-	-	-
Memo items:																	
FSU Net Exports	-	-	-	-	-	-	-	-	-	-	-	-	-0.1	-	-	-	-
Call on OPEC crude + Stock ch.	-	0.1	-	-	-	-	-	-	-	-	-	-	0.2	-	0.2	0.1	0.1
Total Demand ex.FSU	-	-	-	-	-	-	-	0.1	-	-	-	-	0.2	-	-	-	-

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 0.1mb/d.

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

	Fourth Quarter			January			February			March			First Quarter		
	1994	1995	%	1995	1996	%	1995	1996	%	1995	1996	%	1995	1996	%
North America															
LPG	2.34	2.38	1.3	2.51	2.60	3.9	2.45	2.55	4.0	2.03	2.31	13.8	2.32	2.48	6.9
Naphtha	0.29	0.26	-12.3	0.28	0.28	1.2	0.29	0.35	22.4	0.26	0.35	31.7	0.28	0.33	18.3
Motor Gasoline	8.30	8.45	1.7	7.77	7.88	1.3	8.13	8.20	0.8	8.42	8.36	-0.7	8.11	8.14	0.4
Jet/Kerosene	1.71	1.75	2.6	1.73	1.83	5.3	1.73	1.91	10.6	1.63	1.75	7.5	1.70	1.83	7.8
Gasoil	3.63	3.76	3.6	3.87	4.22	9.2	4.23	4.30	1.7	3.83	3.96	3.5	3.97	4.16	4.8
Residual Fuel Oil	1.13	1.10	-2.9	1.07	1.23	14.4	1.26	1.25	-0.2	1.00	1.00	0.6	1.10	1.16	5.0
Other Products	2.46	2.39	-3.0	1.99	2.23	12.4	2.32	2.12	-8.5	2.33	2.48	6.8	2.21	2.28	3.5
Total	19.87	20.08	1.0	19.21	20.27	5.5	20.40	20.69	1.4	19.49	20.21	3.7	19.68	20.38	3.6
Europe															
LPG	0.92	0.88	-4.0	0.99	1.06	6.6	0.95	1.04	9.6	0.94	0.94	0.2	0.96	1.01	5.4
Naphtha	1.07	1.08	1.2	1.17	1.16	-0.8	1.17	1.14	-2.9	1.14	1.14	-0.5	1.16	1.14	-1.4
Motor Gasoline	2.93	2.92	-0.2	2.54	2.59	2.2	2.80	2.73	-2.5	2.98	2.82	-5.3	2.77	2.72	-2.1
Jet/Kerosene	0.78	0.84	7.2	0.76	0.82	7.3	0.76	0.84	10.0	0.78	0.82	4.9	0.77	0.82	7.3
Gasoil	4.93	5.13	4.1	4.83	5.11	5.7	4.99	5.66	13.4	5.57	5.22	-6.3	5.14	5.32	3.6
Residual Fuel Oil	2.23	2.28	2.1	2.30	2.25	-2.1	2.29	2.41	5.2	2.11	2.30	8.8	2.23	2.32	3.8
Other Products	1.17	1.18	0.8	0.90	0.96	7.5	0.90	0.96	6.6	1.05	1.01	-4.1	0.95	0.98	2.8
Total	14.04	14.32	2.0	13.49	13.95	3.4	13.86	14.77	6.6	14.58	14.25	-2.3	13.98	14.31	2.4
Pacific															
LPG	0.73	0.73	0	0.73	0.79	8.3	0.84	0.82	-2.4	0.78	0.77	-1.5	0.78	0.79	1.4
Naphtha	0.77	0.81	6.1	0.83	0.81	-2.2	0.88	0.82	-6.3	0.82	0.75	-7.8	0.84	0.80	-5.4
Motor Gasoline	1.23	1.25	1.9	1.09	1.14	5.0	1.18	1.20	2.0	1.22	1.23	0.4	1.16	1.19	2.4
Jet/Kerosene	0.88	0.95	7.9	1.14	1.20	5.3	1.24	1.30	4.5	1.05	1.10	4.7	1.14	1.20	4.9
Gasoil	1.54	1.59	3.3	1.41	1.49	6.0	1.72	1.76	2.3	1.67	1.72	2.6	1.60	1.65	3.6
Residual Fuel Oil	0.94	0.83	-11.0	0.90	0.90	0	1.02	1.01	-1.9	0.93	0.88	-4.6	0.95	0.93	-2.1
Other Products	0.87	0.80	-7.9	0.82	0.84	2.6	0.89	0.84	-5.6	0.89	0.83	-6.0	0.87	0.84	-3.1
Total	6.95	6.97	0.3	6.92	7.18	3.8	7.78	7.75	-0.3	7.37	7.29	-1.0	7.34	7.40	0.8
OECD															
LPG	4.00	3.99	-0.2	4.23	4.45	5.3	4.24	4.41	4.0	3.74	4.02	7.2	4.06	4.29	5.5
Naphtha	2.13	2.15	1.1	2.28	2.25	-1.1	2.34	2.32	-1.0	2.22	2.24	0.6	2.28	2.27	-0.5
Motor Gasoline	12.46	12.62	1.3	11.40	11.61	1.9	12.11	12.13	0.2	12.62	12.41	-1.7	12.04	12.05	0.1
Jet/Kerosene	3.37	3.54	5.1	3.63	3.84	5.7	3.73	4.05	8.4	3.46	3.67	6.1	3.60	3.85	6.8
Gasoil	10.10	10.48	3.8	10.11	10.82	7.1	10.94	11.72	7.1	11.07	10.90	-1.6	10.70	11.14	4.1
Residual Fuel Oil	4.30	4.21	-2.1	4.28	4.39	2.5	4.57	4.67	2.1	4.04	4.19	3.7	4.29	4.41	2.8
Other Products	4.50	4.37	-3.0	3.71	4.04	9.1	4.11	3.92	-4.6	4.26	4.32	1.4	4.02	4.10	1.9
Total	40.86	41.37	1.2	39.62	41.40	4.5	42.04	43.21	2.8	41.43	41.75	0.8	41.00	42.09	2.7

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.

Figures above are unadjusted trade data submitted to the IEA Secretariat in the Monthly Oil and Gas Questionnaire. Regional total for Europe may differ slightly from those in Table 1 since the latter incorporates adjustments based on other sources.

Table 3
OIL DEMAND IN SELECTED OECD COUNTRIES
(million barrels per day)

	January			February			March			First Quarter			April		
	1995	1996	%	1995	1996	%	1995	1996	%	1995	1996	%	1995	1996	%
United States															
LPG	2.22	2.32	4.4	2.14	2.25	5.2	1.76	2.03	15.1	2.04	2.20	7.9	1.84	1.88	2.0
Naphtha	0.20	0.20	4.2	0.21	0.27	29.5	0.18	0.27	49.1	0.19	0.25	27.1	0.20	0.21	6.2
Motor Gasoline	7.16	7.25	1.3	7.48	7.55	1.0	7.79	7.73	-0.8	7.48	7.51	0.4	7.65	7.87	2.8
Jet/Kerosene	1.62	1.70	5.0	1.62	1.79	10.9	1.52	1.64	7.4	1.58	1.71	7.7	1.44	1.54	6.9
Gasoil	3.39	3.68	8.6	3.68	3.72	1.3	3.34	3.45	3.3	3.46	3.62	4.4	3.11	3.38	9.0
Residual Fuel Oil	0.85	1.02	20.3	1.04	1.03	-1.2	0.80	0.83	3.9	0.89	0.96	7.5	0.81	0.75	-8.0
Other Products	1.78	2.03	14.2	2.12	1.88	-11.1	2.09	2.24	7.2	1.99	2.05	3.2	2.09	2.20	5.5
Total	17.22	18.21	5.8	18.28	18.50	1.2	17.48	18.18	4.0	17.64	18.29	3.7	17.14	17.84	4.1
Japan															
LPG	0.66	0.72	8.7	0.77	0.76	-1.6	0.70	0.70	0.2	0.71	0.72	2.3	0.67	0.67	0.4
Naphtha	0.83	0.81	-2.2	0.87	0.82	-5.6	0.81	0.75	-7.2	0.84	0.79	-5.0	0.77	0.79	3.5
Motor Gasoline	0.75	0.79	5.2	0.83	0.85	1.9	0.86	0.87	1.5	0.81	0.84	2.8	0.82	0.89	8.6
Jet/Kerosene	1.05	1.10	4.8	1.14	1.19	4.4	0.96	1.01	5.3	1.05	1.10	4.9	0.58	0.71	22.4
Diesel	0.62	0.66	6.7	0.75	0.81	7.8	0.77	0.83	7.9	0.71	0.77	7.6	0.71	0.76*	6.0*
Other Gasoil	0.59	0.61	3.1	0.73	0.70	-3.2	0.65	0.64	-2.4	0.65	0.65	-0.8	0.51	0.54*	5.6*
Residual Fuel Oil	0.86	0.86	0	0.96	0.94	-2.9	0.86	0.82	-4.4	0.89	0.87	-2.4	0.82	0.73	-10.4
Direct use of Crude Oil	0.35	0.37	5.0	0.38	0.36	-6.4	0.35	0.33	-7.1	0.36	0.35	-2.8	0.28	0.20	-29.3
Other Products	0.35	0.33	-6.8	0.36	0.37	1.6	0.39	0.40	1.4	0.37	0.37	-1.2	0.42	0.37	-12.0
Total	6.06	6.24	3.0	6.81	6.80	-0.1	6.36	6.36	-0.1	6.40	6.46	1.0	5.58	5.67	1.5
Germany															
LPG	0.13	0.15	14.0	0.13	0.16	22.0	0.12	0.12	4.5	0.13	0.14	13.8	0.13	0.10	-21.0
Naphtha	0.35	0.35	0.4	0.36	0.33	-8.2	0.32	0.36	11.9	0.34	0.35	1.3	0.33	0.34	0.4
Motor Gasoline	0.61	0.62	2.1	0.68	0.65	-4.1	0.71	0.68	-4.6	0.67	0.65	-2.3	0.69	0.72	3.6
Jet/Kerosene	0.11	0.11	0.2	0.12	0.11	-9.2	0.12	0.12	1.5	0.12	0.11	-2.4	0.12	0.12	-3.2
Diesel	0.35	0.35	-0.4	0.40	0.38	-6.1	0.47	0.42	-11.3	0.41	0.38	-6.5	0.43	0.45	4.8
Other Gasoil	0.85	1.02	20.6	0.80	1.11	39.2	1.10	0.88	-20.3	0.92	1.00	8.8	0.83	0.70	-15.7
Residual Fuel Oil	0.22	0.19	-13.3	0.20	0.20	-2.4	0.20	0.19	-6.5	0.21	0.19	-7.8	0.19	0.18	-3.6
Other Products	0.09	0.11	20.1	0.10	0.09	-10.1	0.14	0.10	-28.6	0.11	0.10	-9.5	0.15	0.14	-5.6
Total	2.71	2.91	7.2	2.79	3.03	8.4	3.19	2.87	-10.0	2.90	2.93	1.1	2.88	2.75	-4.5
Italy															
LPG	0.16	0.16	-0.9	0.14	0.17	20.7	0.13	0.14	6.7	0.14	0.15	8.2	0.11	0.11	1.8
Naphtha	0.15	0.14	-10.8	0.12	0.15	23.1	0.13	0.11	-15.0	0.14	0.13	-2.8	0.15	0.14	-5.4
Motor Gasoline	0.35	0.35	0.2	0.40	0.38	-5.9	0.39	0.38	-3.6	0.38	0.37	-3.1	0.39	0.42	7.8
Jet/Kerosene	0.06	0.06	-5.9	0.06	0.07	18.0	0.06	0.06	1.4	0.06	0.06	3.6	0.05	0.06	8.7
Diesel	0.35	0.34	-0.7	0.38	0.37	-1.4	0.35	0.34	-3.5	0.36	0.35	-1.8	0.30	0.32	8.9
Other Gasoil	0.18	0.19	3.3	0.26	0.23	-9.4	0.20	0.22	9.2	0.21	0.21	0.5	0.14	0.13	-11.6
Residual Fuel Oil	0.55	0.62	13.0	0.64	0.63	-2.8	0.59	0.68	16.0	0.59	0.64	8.6	0.55	0.52	-4.1
Other Products	0.12	0.12	2.7	0.11	0.13	15.7	0.12	0.13	5.8	0.12	0.13	7.6	0.13	0.12	-6.7
Total	1.92	1.98	2.9	2.11	2.12	0.6	1.97	2.06	4.2	2.00	2.05	2.6	1.82	1.83	0.4
France															
LPG	0.14	0.14	3.8	0.12	0.16	29.0	0.13	0.13	-0.9	0.13	0.14	9.6	0.11	0.11	-1.4
Naphtha	0.27	0.24	-11.7	0.26	0.23	-10.0	0.26	0.24	-8.7	0.26	0.24	-10.2	0.23	0.11	-51.2
Motor Gasoline	0.33	0.32	-2.3	0.33	0.32	-5.5	0.36	0.33	-8.5	0.34	0.32	-5.6	0.36	0.37	0.9
Jet/Kerosene	0.09	0.09	4.6	0.09	0.10	12.2	0.09	0.10	12.0	0.09	0.10	9.5	0.09	0.11	11.3
Diesel	0.42	0.44	4.1	0.46	0.45	-1.0	0.43	0.46	7.0	0.44	0.45	3.4	0.46	0.49	8.2
Other Gasoil	0.48	0.45	-6.3	0.43	0.60	38.9	0.50	0.38	-24.2	0.47	0.47	0.4	0.31	0.34	11.2
Residual Fuel Oil	0.17	0.18	9.7	0.15	0.21	36.4	0.16	0.19	17.7	0.16	0.19	20.4	0.14	0.17	22.2
Other Products	0.05	0.10	91.1	0.05	0.10	86.9	0.07	0.13	92.8	0.06	0.11	90.4	0.13	0.20	50.0
Total	1.95	1.97	1.2	1.89	2.16	14.0	2.00	1.96	-2.1	1.95	2.03	4.0	1.83	1.90	3.5
United Kingdom															
LPG	0.17	0.16	-8.7	0.18	0.17	-5.5	0.19	0.16	-17.6	0.18	0.16	-10.9	0.19	0.18	-2.6
Naphtha	0.08	0.07	-7.8	0.12	0.07	-35.8	0.09	0.10	17.6	0.09	0.08	-10.6	0.07	0.07	11.2
Motor Gasoline	0.46	0.47	2.4	0.52	0.49	-5.1	0.54	0.50	-6.8	0.50	0.49	-3.4	0.52	0.52	1.4
Jet/Kerosene	0.21	0.25	15.7	0.22	0.26	17.9	0.23	0.23	2.6	0.22	0.25	11.8	0.21	0.23	11.1
Diesel	0.23	0.27	14.8	0.28	0.29	4.0	0.30	0.29	-3.5	0.27	0.28	4.4	0.26	0.29	11.1
Other Gasoil	0.21	0.19	-7.8	0.21	0.24	12.6	0.22	0.21	-4.8	0.21	0.21	-0.3	0.18	0.19	1.8
Residual Fuel Oil	0.21	0.12	-41.3	0.24	0.22	-6.8	0.20	0.19	-5.1	0.21	0.18	-17.6	0.17	0.18	5.9
Other Products	0.19	0.20	4.4	0.19	0.16	-18.1	0.21	0.16	-23.1	0.20	0.17	-12.6	0.20	0.17	-12.9
Total	1.76	1.72	-2.1	1.96	1.90	-2.6	1.97	1.85	-6.5	1.89	1.82	-3.8	1.79	1.84	2.8
Canada															
LPG	0.27	0.27	0.3	0.30	0.29	-5.3	0.25	0.27	5.8	0.28	0.28	0.2	0.22	0.23	5.0
Naphtha	0.08	0.07	-6.2	0.08	0.08	3.9	0.09	0.08	-4.8	0.08	0.08	-2.6	0.08	0.07	-19.1
Motor Gasoline	0.54	0.56	5.0	0.60	0.59	-1.7	0.57	0.56	-0.4	0.56	0.57	1.0	0.55	0.57	5.1
Jet/Kerosene	0.08	0.10	21.7	0.09	0.09	1.5	0.08	0.09	11.9	0.08	0.09	11.8	0.08	0.08	10.4
Diesel	0.12	0.12	0	0.14	0.13	-3.4	0.13	0.13	0	0.13	0.13	-1.1	0.12	0.13	7.0
Other Gasoil	0.32	0.39	22.6	0.38	0.42	8.5	0.32	0.34	7.5	0.34	0.38	12.9	0.26	0.27	6.0
Residual Fuel Oil	0.15	0.14	-1.5	0.15	0.17	8.4	0.13	0.10	-20.0	0.14	0.14	-3.7	0.11	0.10	-5.7
Other Products	0.17	0.17	0.6	0.17	0.18	4.4	0.21	0.21	3.7	0.18	0.19	2.8	0.19	0.19	2.0
Total	1.72	1.83	6.4	1.91	1.94	1.4	1.76	1.78	1.3	1.80	1.85	3.1	1.60	1.65	3.3

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.

Table 4
WORLD OIL PRODUCTION

(million barrels per day)

	1993	1994	1995	2Q95	3Q95	4Q95	1Q96	2Q96	Apr96	May96*	Jun96*
OPEC¹											
Crude Oil											
Saudi Arabia	7.96	7.90	7.94	7.88	8.01	7.92	7.95	7.88	7.98	7.80	7.85
Iran	3.65	3.61	3.65	3.65	3.65	3.68	3.69	3.68	3.70	3.68	3.65
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	2.19	2.21	2.19	2.16	2.19	2.18	2.16	2.20	2.18
Kuwait	1.69	1.84	1.84	1.84	1.84	1.84	1.84	1.79	1.81	1.78	1.78
Neutral Zone	0.36	0.39	0.43	0.41	0.44	0.43	0.46	0.47	0.48	0.45	0.48
Qatar	0.42	0.41	0.45	0.45	0.45	0.46	0.47	0.48	0.48	0.48	0.48
Nigeria	1.91	1.90	1.93	1.93	1.93	2.01	2.09	2.13	2.12	2.14	2.14
Libya	1.37	1.38	1.41	1.40	1.41	1.40	1.38	1.39	1.38	1.40	1.40
Algeria	0.74	0.75	0.76	0.75	0.76	0.79	0.78	0.80	0.80	0.81	0.80
Venezuela	2.31	2.44	2.58	2.51	2.64	2.71	2.89	2.94	2.93	2.94	2.95
Indonesia	1.34	1.32	1.34	1.34	1.34	1.34	1.38	1.40	1.39	1.40	1.40
Total Crude Oil	24.40	24.67	25.06	24.90	25.21	25.30	25.67	25.68	25.77	25.61	25.65
NGLs ²	2.25	2.38	2.42	2.40	2.41	2.48	2.52	2.56	2.51	2.57	2.58
TOTAL OPEC	26.65	27.05	27.48	27.30	27.62	27.78	28.18	28.23	28.28	28.19	28.23
NON-OPEC^{1,3}											
OECD											
North America	10.99	10.92	11.00	11.05	10.87	10.99	10.96	10.82	10.81	10.74	10.93
United States	8.82	8.64	8.61	8.67	8.50	8.57	8.52	8.48	8.51	8.40	8.52
Canada	2.18	2.28	2.39	2.37	2.37	2.43	2.44	2.35	2.30	2.33	2.41
Europe	5.12	6.03	6.31	5.97	6.18	6.73	6.65	6.59	6.67	6.46	6.66
UK	2.14	2.71	2.79	2.55	2.76	2.94	2.83	2.70	2.72	2.73	2.67
Norway	2.38	2.69	2.91	2.81	2.83	3.19	3.22	3.26	3.33	3.11	3.36
Others	0.60	0.63	0.61	0.60	0.59	0.61	0.61	0.63	0.62	0.63	0.63
Pacific	0.65	0.69	0.67	0.69	0.70	0.64	0.67	0.79	0.66	0.83	0.86
Australia	0.56	0.60	0.58	0.60	0.59	0.54	0.58	0.67	0.56	0.72	0.74
Others	0.09	0.09	0.10	0.09	0.11	0.10	0.10	0.11	0.11	0.11	0.12
Total OECD	16.76	17.64	17.98	17.70	17.75	18.36	18.28	18.20	18.14	18.03	18.45
Non-OECD											
Former USSR	7.95	7.22	7.15	7.18	7.11	7.18	7.11	7.09	7.07	7.10	7.11
Russia	6.95	6.28	6.18	6.19	6.13	6.15	6.09	6.05	6.04	6.06	6.05
Others	0.99	0.94	0.98	0.99	0.98	1.03	1.01	1.04	1.03	1.04	1.06
Asia	4.69	4.78	5.05	5.01	5.08	5.13	5.17	5.18	5.10	5.19	5.25
China	2.91	2.84	2.99	2.95	3.00	3.03	3.09	3.12	3.02	3.15	3.19
Malaysia	0.63	0.69	0.75	0.73	0.75	0.80	0.79	0.80	0.80	0.80	0.81
India	0.54	0.63	0.70	0.71	0.71	0.69	0.68	0.65	0.67	0.63	0.65
Others	0.60	0.62	0.62	0.61	0.62	0.62	0.62	0.61	0.61	0.61	0.61
Europe	0.28	0.28	0.27	0.26	0.28	0.27	0.28	0.28	0.28	0.28	0.27
Latin America	5.77	5.94	6.09	6.01	6.32	5.94	6.50	6.56	6.51	6.54	6.62
Mexico	3.14	3.14	3.07	3.14	3.19	2.84	3.31	3.35	3.33	3.35	3.36
Brazil	0.88	0.92	0.94	0.80	1.00	0.99	1.03	1.04	1.03	1.03	1.07
Argentina	0.63	0.71	0.76	0.76	0.76	0.78	0.79	0.79	0.79	0.79	0.80
Colombia	0.46	0.47	0.59	0.58	0.64	0.61	0.63	0.64	0.63	0.63	0.67
Ecuador	0.34	0.37	0.38	0.38	0.38	0.38	0.39	0.39	0.39	0.39	0.39
Others	0.33	0.34	0.35	0.35	0.35	0.35	0.34	0.34	0.35	0.34	0.34
Middle East ⁴	1.63	1.79	1.90	1.89	1.91	1.91	1.89	1.91	1.90	1.90	1.92
Oman	0.79	0.82	0.86	0.86	0.87	0.87	0.87	0.88	0.88	0.88	0.89
Syria	0.56	0.57	0.61	0.61	0.62	0.62	0.62	0.62	0.62	0.62	0.62
Yemen	0.22	0.35	0.37	0.38	0.37	0.37	0.35	0.35	0.35	0.35	0.35
Africa	2.34	2.39	2.59	2.59	2.60	2.62	2.60	2.68	2.63	2.67	2.73
Egypt	0.96	0.92	0.95	0.95	0.94	0.95	0.94	0.95	0.92	0.96	0.97
Angola	0.50	0.53	0.65	0.66	0.67	0.67	0.67	0.72	0.70	0.72	0.73
Gabon	0.30	0.32	0.35	0.35	0.35	0.35	0.36	0.36	0.37	0.35	0.36
Others	0.58	0.62	0.65	0.64	0.65	0.66	0.63	0.66	0.65	0.65	0.68
Total Non-OECD	22.66	22.40	23.05	22.94	23.30	23.05	23.54	23.69	23.49	23.69	23.90
Processing Gains ⁵	1.39	1.43	1.48	1.48	1.48	1.48	1.51	1.51	1.51	1.51	1.51
TOTAL NON-OPEC	40.80	41.47	42.51	42.12	42.53	42.90	43.33	43.40	43.13	43.22	43.85
TOTAL SUPPLY	67.45	68.52	69.99	69.42	70.16	70.68	71.51	71.63	71.41	71.41	72.09

1 Gabon 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)

	March		1st Quarter 96		April		May		June		2nd Quarter 96	
	Level	Change ²	Level	Change	Level	Change	Level	Change	Level	Change	Level	Change
United States												
Alaska	1457	-34	1464	-9	1367	-90	1360	-7	1493	133	1406	-57
California (inc. offshore)	964	3	959	-12	966	2	958	-8	950	-8	958	-1
Texas	1470	-21	1485	-29	1455	-15	1435	-20	1431	-4	1440	-44
Offshore Gulf of Mexico	1081	30	1052	56	1108	27	1117	9	1135	18	1120	68
Other US Lower 48	1494	-56	1534	-25	1469	-25	1452	-17	1460	8	1460	-74
NGLs ³	1740	65	1712	-36	1836	96	1795	-41	1785	-10	1805	93
Other Hydrocarbons	322	47	316	11	306	-16	285	-21	265	-20	285	-31
Total	8528	34	8522	-44	8507	-21	8402	-105	8519	117	8475	-47
Canada												
Alberta Light & Medium	702	5	696	-10	695	-7	687	-8	700	13	694	-2
Alberta Heavy	257	9	250	10	261	4	262	1	267	5	263	13
Alberta Bitumen	151	-1	151	0	144	-6	147	3	145	-2	145	-5
Saskatchewan	338	15	332	2	318	-21	313	-5	312	-1	314	-18
Other Conventional	101	-7	98	0	106	5	110	4	119	9	112	13
NGLs	633	22	630	16	572	-61	566	-6	561	-5	566	-64
Syncrudes	297	34	281	-9	204	-93	249	45	305	56	253	-28
Total	2479	78	2438	11	2300	-179	2334	34	2408	74	2348	-90
United Kingdom⁴												
Brent Fields	521	-3	507	13	483	-38	485	2	410	-75	459	-47
Forties Fields	884	-31	917	-67	865	-19	900	35	876	-24	880	-36
Ninian Fields	326	2	322	-2	313	-13	302	-11	319	17	311	-11
Flotta Fields	242	1	243	-11	236	-6	183	-53	237	54	218	-25
Other Offshore Fields	464	1	462	-20	462	-2	490	28	478	-12	477	15
NGLs	272	0	270	-23	254	-18	257	3	235	-21	249	-21
Total	2709	-30	2720	-110	2613	-96	2617	4	2554	-62	2595	-125
Norway⁴												
Ekofisk/Ula Area	479	-6	483	-25	503	24	502	-1	552	50	519	36
Oseberg Area	907	4	902	23	915	9	878	-37	901	23	898	-4
Statfjord-Gullfaks-Snorre	1108	-184	1224	-114	1295	187	1130	-165	1291	161	1238	14
Haltenbanken	368	28	337	136	346	-22	339	-7	361	22	349	11
Sleipner/Frigg	120	-2	121	6	125	5	119	-6	114	-5	119	-1
Plant Condensate (as NGLs)	8	-0	8	-6	8	-0	8	0	9	2	8	0
Lighter NGLs	138	-3	140	7	137	-1	133	-4	131	-2	134	-6
Total	3128	-164	3215	27	3330	202	3109	-221	3359	250	3264	49
Other OECD Europe												
Other North Sea	244	5	238	5	241	-4	243	2	243	0	242	4
Onshore U.K.	100	-5	105	-1	107	7	110	3	111	1	109	4
Italy	97	-1	96	4	101	4	103	2	105	2	103	7
Turkey	67	1	67	-1	65	-2	67	2	65	-2	66	-1
Other	147	12	143	-12	153	6	152	-1	155	3	153	10
NGLs	48	3	45	11	39	-9	37	-2	39	2	38	-7
Non-Conventional Oils	18	-2	19	-4	20	2	23	3	24	1	22	4
Total	721	13	713	1	725	4	735	10	742	7	734	21
Australia												
Gippsland Basin	189	-22	203	-12	199	10	205	6	210	5	205	1
Cooper/Eromonga	36	-1	36	-0	32	-4	36	4	35	-1	34	-1
Carnarvon Basin	319	97	256	52	236	-83	375	139	388	13	333	78
Bonaparte Basin	32	14	21	-2	29	-3	35	6	36	1	33	13
Other Fields	6	-0	6	0	6	0	6	-0	6	-0	6	0
NGLs	56	1	54	-4	53	-3	65	12	67	1	62	8
Total	638	90	575	34	555	-83	722	168	742	20	674	98
Other OECD Pacific												
New Zealand	31	-1	30	-1	31	0	31	0	41	9	34	4
Japan	11	0	11	-0	11	0	11	0	11	0	11	0
NGLs	12	-1	12	1	9	-3	13	4	13	0	12	-1
Synthetic Fuels	44	-1	44	1	56	12	55	-1	55	0	55	11
Total	98	-3	98	1	107	9	110	3	120	9	112	15
OECD												
Crude Oil	14712	-146	14749	-46	14643	-69	14544	-100	14955	412	14712	-37
NGLs	2907	87	2871	-34	2908	0	2874	-34	2839	-34	2874	3
Non-Conventional Oils	681	78	660	-2	586	-95	612	26	649	37	616	-45
Total	18301	19	18280	-81	18137	-163	18030	-107	18444	414	18202	-79

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					PRIOR YEARS' STOCKS ²			STOCK CHANGES			
	in Million Barrels					in Million Barrels			in mb/d			
	JAN96	FEB96	MAR96*	APR96*	MAY96*	MAY93	MAY94	MAY95	Q295	Q395	Q495	Q196
North America												
Crude	365	364	366	370	381	421	396	403	0.04	-0.42	-0.05	-0.02
Gasoline	234	236	227	227	229	244	237	231	-0.12	-0.06	0.03	0.05
Middle Distillate	183	160	150	151	158	167	180	184	-0.05	0.23	-0.04	-0.57
Residual Fuel Oil	44	40	41	43	44	52	49	47	-0.02	0.05	-0.04	-0.05
Total Products ³	595	561	545	555	575	637	626	623	0.04	0.33	-0.38	-0.80
Total ⁴	1102	1059	1050	1072	1101	1220	1176	1183	0.17	-0.01	-0.74	-0.84
Europe												
Crude	297	303	311	328	326	305	313	310	0.16	-0.04	0.14	0.07
Gasoline	148	151	147	138	138	135	143	136	-0.07	-0.04	0.05	0.08
Middle Distillate	243	232	227	240	237	235	246	240	0.12	0.29	-0.33	-0.19
Residual Fuel Oil	98	94	86	86	83	111	96	97	0.06	0.06	-0.05	-0.17
Total Products ³	576	562	544	548	543	566	566	555	0.09	0.36	-0.33	-0.34
Total ⁴	931	924	912	935	928	932	938	924	0.33	0.27	-0.16	-0.28
Pacific												
Crude	162	152	166	154	163	150	158	159	0.24	-0.06	-0.09	0.05
Gasoline	21	21	21	21	21	21	21	24	-0.01	0.00	-0.01	0.01
Middle Distillate	51	44	42	46	50	51	55	57	0.08	0.14	-0.17	-0.12
Residual Fuel Oil	16	16	15	16	15	16	15	17	0.00	-0.03	-0.01	0.01
Total Products ³	145	131	129	134	140	138	146	150	0.04	0.20	-0.21	-0.15
Total ⁴	385	360	372	367	383	371	387	398	0.25	0.15	-0.42	-0.08
Total												
Crude	824	819	843	851	870	876	867	872	0.44	-0.52	0.00	0.10
Gasoline	403	409	396	386	388	401	401	390	-0.20	-0.11	0.06	0.14
Middle Distillate	478	436	418	437	445	454	481	481	0.15	0.66	-0.53	-0.88
Residual Fuel Oil	158	150	142	144	142	179	159	161	0.05	0.08	-0.09	-0.22
Total Products ³	1315	1254	1218	1237	1258	1340	1338	1329	0.17	0.89	-0.93	-1.28
Total ⁴	2418	2344	2333	2374	2412	2524	2501	2504	0.75	0.41	-1.32	-1.21

OECD GOVERNMENT-CONTROLLED STOCKS⁵ AND QUARTERLY STOCK CHANGES

	RECENT MONTHLY STOCKS ²					PRIOR YEARS' STOCKS ²			STOCK CHANGES ³			
	in Million Barrels					in Million Barrels			in mb/d			
	JAN96	FEB96	MAR96*	APR96*	MAY96*	MAY93	MAY94	MAY95	Q295	Q395	Q495	Q196
North America												
Crude	592	592	589	586	586	582	591	592	0.00	0.00	0.00	-0.03
Europe												
Crude	134	135	134	134	134	133	131	134	-0.01	0.00	0.00	0.00
Products	140	139	141	140	140	144	140	143	-0.06	0.01	-0.01	0.00
Pacific												
Crude	299	299	299	299	299	246	265	284	0.00	0.10	0.07	0.01
Total												
Crude	1025	1026	1023	1020	1019	961	987	1009	-0.01	0.10	0.07	-0.02
Products	140	139	141	140	140	144	140	143	-0.06	0.01	-0.01	0.00
Total ⁴	1165	1166	1164	1160	1159	1105	140	1152	-0.07	0.11	0.06	-0.02

* 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 STOCKS¹ ON LAND IN SELECTED COUNTRIES

(million barrels)

	December			January			February			March			April		
	1994	1995	%	1995	1996	%	1995	1996	%	1995	1996	%	1995	1996	%
United States															
Crude	337.2	303.3	-10.1	330.5	303.0	-8.3	329.1	301.5	-8.4	339.5	299.6	-11.7	336.4	303.0	-9.9
Motor Gasoline	215.0	202.3	-5.9	227.3	212.2	-6.6	225.4	213.3	-5.4	211.1	203.2	-3.7	207.8	203.0	-2.3
Middle Distillate	198.9	176.9	-11.1	191.4	158.7	-17.1	171.2	136.7	-20.2	160.3	126.9	-20.8	158.4	128.4	-18.9
Residual Fuel Oil	41.9	37.2	-11.1	43.6	35.5	-18.5	36.7	31.5	-14.0	37.8	31.7	-16.1	37.1	33.7	-9.2
Other Products	132.6	128.4	-3.2	124.5	116.2	-6.6	117.1	108.4	-7.5	125.2	108.8	-13.1	134.7	116.1	-13.8
Total Products	588.3	544.8	-7.4	586.8	522.7	-10.9	550.4	489.9	-11.0	534.3	470.6	-11.9	538.0	481.1	-10.6
Other ²	135.5	123.1	-9.2	134.5	123.9	-7.8	136.5	116.8	-14.4	135.6	122.6	-9.5	135.3	130.6	-3.4
Total	1061.1	971.2	-8.5	1051.7	949.6	-9.7	1016.0	908.3	-10.6	1009.3	892.8	-11.5	1009.7	914.7	-9.4
Japan															
Crude	142.2	147.5	3.7	144.9	147.3	1.6	132.4	138.2	4.4	138.9	152.3	9.7	135.4	140.0	3.4
Motor Gasoline	11.9	12.5	5.1	14.5	13.8	-5.3	14.5	14.2	-1.9	14.7	14.0	-4.9	15.5	13.8	-11.0
Middle Distillate	55.5	43.3	-22.0	51.3	41.7	-18.8	42.8	35.1	-18.0	40.0	33.4	-16.6	45.4	37.0	-18.4
Residual Fuel Oil	13.3	11.5	-13.7	13.5	13.4	-0.6	13.1	12.7	-2.9	14.3	12.1	-15.2	14.7	13.0	-11.9
Other Products	48.8	49.1	0.7	47.1	51.2	8.6	47.8	44.4	-7.2	47.8	45.7	-4.4	48.6	46.3	-4.8
Total Products	129.5	116.4	-10.1	126.5	120.0	-5.1	118.2	106.4	-10.0	116.8	105.2	-10.0	124.2	110.1	-11.4
Other ²	77.3	67.9	-12.2	80.7	71.8	-11.1	78.6	71.0	-9.7	79.6	69.7	-12.4	82.3	72.2	-12.2
Total	349.0	331.8	-4.9	352.1	339.1	-3.7	329.1	315.6	-4.1	335.3	327.2	-2.4	341.9	322.2	-5.7
Germany															
Crude	22.7	20.9	-7.8	23.1	20.8	-10.0	25.3	20.1	-20.8	24.4	22.2	-8.8	22.9	21.2	-7.6
Motor Gasoline	12.4	10.5	-15.7	13.7	13.0	-5.5	13.6	12.4	-8.5	12.9	11.8	-9.0	11.1	9.6	-13.4
Middle Distillate	22.5	16.4	-27.4	22.8	15.8	-30.7	22.5	15.2	-32.6	12.6	12.4	-1.9	16.7	17.8	6.4
Residual Fuel Oil	8.4	10.2	20.6	8.5	9.8	16.0	8.6	9.4	9.3	7.9	8.2	3.9	8.9	8.4	-5.3
Other Products	11.9	12.2	2.8	12.0	12.6	5.0	12.5	12.1	-3.3	11.6	11.9	2.8	12.8	11.6	-9.0
Total Products	55.2	49.2	-11.0	57.1	51.3	-10.2	57.2	49.1	-14.2	45.0	44.3	-1.7	49.5	47.5	-4.1
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	78.0	70.1	-10.0	80.2	72.0	-10.1	82.5	69.2	-16.2	69.4	66.5	-4.2	72.4	68.7	-5.2
Italy															
Crude	44.1	41.0	-7.1	44.7	33.0	-26.2	39.1	34.4	-12.0	38.2	34.1	-10.7	41.9	35.2	-16.0
Motor Gasoline	21.2	21.3	0.6	23.3	22.8	-2.3	23.0	22.7	-1.2	23.2	23.7	2.0	22.4	21.1	-5.8
Middle Distillate	33.2	34.9	4.9	35.4	36.0	1.5	36.9	33.1	-10.3	35.3	34.0	-3.8	33.3	35.3	6.0
Residual Fuel Oil	24.6	22.6	-8.1	25.7	23.1	-9.9	25.0	23.0	-8.1	25.1	19.2	-23.2	22.7	16.7	-26.2
Other Products	8.0	9.3	15.6	7.9	10.3	29.3	9.1	9.3	2.3	8.3	9.8	17.7	8.5	8.9	4.0
Total Products	87.0	88.0	1.2	92.4	92.2	-0.2	94.0	88.1	-6.3	91.9	86.7	-5.7	86.9	82.0	-5.6
Other ²	6.0	6.6	10.8	5.2	5.4	4.4	5.0	7.2	43.4	4.5	5.8	26.8	5.1	5.8	13.0
Total	137.1	135.6	-1.1	142.3	130.6	-8.2	138.1	129.7	-6.1	134.6	126.5	-6.0	134.0	123.0	-8.2
France															
Crude	39.5	38.2	-3.4	39.7	34.9	-12.2	41.4	37.0	-10.7	38.7	38.6	-0.4	42.2	45.5	7.8
Motor Gasoline	23.1	24.1	4.2	25.9	25.4	-2.0	25.7	28.5	11.0	23.7	27.5	16.1	23.8	25.7	7.7
Middle Distillate	56.9	56.9	0.0	55.3	54.2	-2.1	54.9	52.4	-4.5	50.4	52.5	4.2	51.4	54.3	5.7
Residual Fuel Oil	6.9	7.9	14.0	7.1	8.0	13.0	8.6	7.8	-8.6	7.1	7.7	7.4	7.1	8.4	19.0
Other Products	9.7	9.7	0.6	9.3	9.2	-1.8	9.6	8.1	-16.1	9.5	8.6	-8.6	9.7	9.2	-5.4
Total Products	96.7	98.7	2.1	97.6	96.7	-0.9	98.8	96.9	-1.9	90.7	96.4	6.2	92.0	97.6	6.1
Other ²	11.6	12.9	11.8	11.9	13.5	13.7	13.2	13.0	-2.1	12.5	12.3	-1.2	12.0	12.1	0.2
Total	147.8	149.8	1.3	149.2	145.1	-2.8	153.5	146.9	-4.3	141.9	147.3	3.8	146.2	155.1	6.1
United Kingdom															
Crude	37.6	30.2	-19.8	34.0	31.7	-6.9	36.4	32.2	-11.3	29.9	35.8	19.6	33.3	35.4	6.4
Motor Gasoline	17.2	16.9	-1.3	18.9	17.7	-6.3	17.3	16.2	-6.9	17.2	15.4	-10.5	16.3	15.1	-7.4
Middle Distillate	20.4	18.8	-8.1	20.9	17.8	-14.9	19.4	15.9	-18.2	18.5	16.9	-8.5	17.8	18.1	1.7
Residual Fuel Oil	6.4	7.2	12.9	7.1	7.4	3.9	6.9	6.4	-6.3	6.3	6.8	7.2	7.6	7.0	-6.8
Other Products	12.3	13.1	7.0	12.0	12.4	3.3	12.6	12.1	-3.8	12.1	11.9	-1.3	12.6	11.9	-5.9
Total Products	56.3	56.1	-0.4	59.0	55.3	-6.2	56.2	50.6	-10.0	54.2	51.1	-5.7	54.3	52.1	-4.0
Other ²	15.2	14.9	-1.6	15.3	15.8	3.2	15.4	16.0	4.0	16.1	15.1	-6.1	15.1	17.0	12.7
Total	109.0	101.1	-7.2	108.3	102.8	-5.1	107.9	98.8	-8.5	100.1	101.9	1.8	102.7	104.6	1.8
Canada															
Crude	60.5	56.0	-7.5	58.2	53.6	-7.8	59.9	54.4	-9.1	60.3	57.7	-4.3	60.1	58.6	-2.6
Motor Gasoline	19.9	18.6	-6.5	22.2	20.6	-7.1	22.6	21.6	-4.5	24.2	22.6	-6.8	24.3	22.5	-7.7
Middle Distillate	25.5	21.4	-16.1	27.4	21.2	-22.6	24.9	19.6	-21.3	24.6	19.4	-21.3	23.2	19.3	-16.6
Residual Fuel Oil	3.7	4.4	20.8	4.0	4.3	8.6	4.2	4.2	-1.2	4.4	4.9	11.3	4.5	5.3	19.1
Other Products	16.9	17.6	4.5	18.3	15.4	-15.6	19.8	15.6	-21.0	21.1	16.9	-19.9	19.4	16.4	-15.8
Total Products	66.0	62.1	-5.9	71.8	61.5	-14.3	71.5	61.0	-14.7	74.4	63.8	-14.3	71.4	63.5	-11.1
Other ²	15.7	13.6	-13.8	14.4	13.2	-8.3	12.6	12.1	-4.0	12.5	11.9	-5.0	13.9	11.9	-14.2
Total	142.2	131.6	-7.4	144.4	128.4	-11.1	144.0	127.5	-11.4	147.2	133.4	-9.4	145.5	134.0	-7.9

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 barrels' and 'days')

	End March 1995		End June 1995		End September 1995		End December 1995		End March 1996 ⁴	
	Stock 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	147.2	85	154.5	83	142.9	76	131.6	71	133.4	-
United States	1601.0	91	1609.0	91	1619.7	90	1562.9	85	1481.9	-
NORTH AMERICA	1771.9	91	1787.2	90	1786.3	89	1718.2	84	1639.0	82
Australia	36.8	45	38.1	47	42.7	51	39.1	49	35.7	-
Japan	619.0	119	639.8	119	657.7	110	630.5	98	626.5	-
New Zealand	8.4	60	8.9	61	9.4	63	7.8	57	8.6	-
PACIFIC	664.2	107	686.9	108	709.8	102	677.3	92	670.9	107
Austria	17.0	75	18.2	81	16.9	70	16.9	68	16.9	-
Belgium	27.1	58	26.7	58	29.7	56	28.5	46	24.9	-
Denmark	25.3	116	25.7	119	27.4	116	26.2	108	19.4	-
Finland	21.9	126	23.1	105	23.1	104	23.1	134	23.1	-
France	147.5	81	161.2	86	157.6	81	155.3	77	153.0	-
Germany	306.7	106	303.2	104	303.5	108	302.3	103	299.2	-
Greece	22.9	70	24.1	69	22.6	55	21.7	56	20.3	-
Ireland	7.1	60	6.7	61	7.8	64	7.3	59	6.2	-
Italy	140.5	77	144.0	79	139.4	66	141.5	69	132.4	-
Luxembourg	0.9	24	0.9	27	0.8	23	0.7	18	0.7	-
Netherlands	107.3	134	106.8	135	116.5	146	107.0	141	96.4	-
Norway	40.7	208	42.2	231	45.1	248	48.6	244	56.4	-
Portugal	19.3	66	18.7	61	18.7	64	18.8	75	19.3	-
Spain	79.5	69	86.2	79	92.3	74	94.2	82	94.2	-
Sweden	29.8	94	31.7	104	32.8	90	31.9	74	32.2	-
Switzerland	41.5	156	46.8	169	47.4	170	45.0	174	44.4	-
Turkey	37.3	66	38.3	59	42.0	68	42.9	73	46.7	-
United Kingdom	100.1	56	97.5	55	104.4	56	101.1	56	101.9	-
EUROPE⁵	1172.2	87	1201.9	88	1227.8	86	1213.0	85	1187.5	87
Total	3608.3	92	3676.0	92	3724.0	90	3608.5	86	3497.3	88
DAYS OF IEA NET IMPORTS⁶	-	127	-	129	-	131	-	127	-	123

1 Stocks are primary national territory stocks on land (excluding utility stocks and including pipeline and entreport 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 March 1996 stock level based on preliminary data.

4 End March 1996 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 controlled		Industry	Total	Government ¹ controlled		Industry
		Millions of Barrels				Days of Fwd. Demand ²		
Q193	3553	1101		2452	94	29		65
Q293	3639	1106		2534	94	29		66
Q393	3709	1109		2601	92	27		64
Q493	3641	1118		2523	89	27		62
Q194	3527	1126		2400	91	29		62
Q294	3648	1128		2520	92	28		63
Q394	3743	1131		2612	92	28		64
Q494	3713	1142		2572	91	28		63
Q195	3608	1156		2452	92	30		63
Q295	3676	1150		2526	92	29		64
Q395	3724	1160		2564	90	28		62
Q495	3609	1165		2443	86	28		58
Q196	3497	1164		2333	88	29		59

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

2 Days of forward demand calculated using actual demand except in March 1996 (when latest forecast is used).

Table 8

AVERAGE IEA CIF CRUDE COST AND SPOT CRUDE AND PRODUCT PRICES

(\$/bbl)

	1993	1994	1995	2Q95	3Q95	4Q95	1Q96	2Q96	Jan96	Feb96	Mar96	Apr96	May96	Jun96
Crude Oil Prices														
IEA CIF Average Import	16.37	15.65	17.19	18.31	16.41	16.90	18.58	19.54*	18.22	18.08	19.39	20.71	19.35*	18.55*
FOB Spot														
Brent (Dated)	17.00	15.80	17.02	18.10	16.18	16.92	18.54	19.51	17.84	17.86	19.91	20.98	19.13	18.43
WTI (1st month)	18.44	17.19	18.41	19.33	17.83	18.12	19.64	21.80	18.80	18.86	21.27	23.59	21.35	20.45
Dubai (1st month)	14.93	14.75	16.10	16.96	15.31	15.83	16.43	17.26	16.49	15.84	16.96	17.66	16.87	17.25
Product Prices¹														
Rotterdam														
Premium 0.15 g/l	22.45	20.18	21.25	23.65	20.81	20.50	21.18	25.52	20.20	20.57	22.77	26.37	27.04	23.16
Regular Unleaded	20.70	18.65	19.75	21.96	19.38	19.14	19.76	23.86	18.50	19.37	21.40	24.83	25.14	21.61
Naphtha	18.47	17.30	18.15	19.61	17.43	17.14	19.02	20.85	18.83	18.76	19.46	22.06	21.12	19.38
Jet/Kerosene	23.37	20.95	21.60	21.71	21.57	22.38	25.07	23.78	23.67	24.82	26.72	25.51	23.13	22.69
Gasoil	22.28	19.80	20.47	21.02	20.49	21.04	23.97	23.16	22.27	24.63	25.02	24.94	22.48	22.05
Fuel Oil 1.0%S	13.50	14.00	15.76	16.99	13.69	15.39	17.20	16.90	17.59	16.76	17.26	18.17	17.41	15.13
Fuel Oil 3.5%S	10.22	13.01	14.82	15.76	12.97	14.16	15.66	15.41	15.75	14.78	16.46	17.60	15.13	13.48
Gross Product Worth ²	20.27	18.46	19.41	20.56	18.96	19.42	21.29	22.18	20.23	21.18	22.46	23.53	22.41	20.60
NY Harbour														
Super Unleaded 93	23.69	23.65	24.81	27.67	24.73	23.78	24.35	28.17	23.47	24.05	25.52	28.58	29.40	26.52
Regular Unleaded 87	21.58	20.54	22.57	25.29	22.38	21.29	22.65	26.34	21.16	22.24	24.57	27.44	27.24	24.33
Jet/Kerosene	23.33	22.20	21.76	21.76	21.78	23.37	26.27	26.01	24.83	25.48	28.49	29.78	24.93	23.32
No.2 (Heating Oil)	22.04	20.68	20.72	20.61	20.41	22.08	25.21	24.45	23.20	25.50	26.94	27.89	23.87	21.60
Fuel Oil 1.0%S	14.63	15.05	16.06	17.03	14.71	16.24	19.36	18.23	21.84	17.61	18.62	19.95	17.77	16.96
Fuel Oil 3.0%S	11.21	12.25	14.47	16.10	12.82	13.85	14.94	15.17	15.48	14.71	14.63	15.82	15.14	14.55
Gross Product Worth ³	20.16	19.04	19.94	22.27	19.28	19.22	22.21	25.01	20.31	20.94	22.95	25.39	23.91	23.06
Singapore														
Gasoline ⁴	24.01	21.10	22.11	23.05	22.30	21.47	21.61	25.01	20.77	20.64	23.41	25.14	26.30	23.60
Naphtha	17.22	16.34	17.54	18.96	16.69	16.26	17.51	19.53	17.51	16.66	18.36	20.39	19.46	18.75
Jet/Kerosene	24.42	21.74	22.72	22.35	21.13	25.10	28.68	25.32	30.50	28.21	27.34	26.19	25.93	23.83
Gasoil	24.02	20.87	21.60	22.47	20.63	22.08	25.87	25.47	25.17	26.58	25.86	25.56	26.52	24.32
LSWR (0.3%) ⁵	14.90	13.58	14.74	15.43	13.80	15.64	16.21	17.86	16.55	15.92	16.15	17.31	18.74	17.53
HSFO (3.5%S 180cst)	11.83	13.17	14.98	15.81	13.14	15.18	17.15	15.63	17.87	16.78	16.79	17.37	15.44	14.08
Gross Product Worth ⁵	17.17	16.29	17.42	17.98	16.30	17.91	20.05	19.58	20.57	19.77	19.82	20.24	20.10	18.41

* = 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.

6 As from 1 April 1996 mixed/cracked LSWR fob Indonesia.

Table 9
END USER PRICES FOR PETROLEUM PRODUCTS¹
June 1996

	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	6.210	5.050	-1.3	-5.7	5.8	6.4	1.199	0.224	-1.2	-5.6	0.4	1.0
Germany	1.551	1.182	-1.5	-5.1	0.6	2.5	1.015	0.241	-1.3	-5.0	-7.8	-6.1
Italy	1883	1412	-0.8	-2.6	0.2	0.7	1.220	0.305	0.2	-1.7	6.4	6.9
Spain	116.9	80.9	-2.2	-5.8	2.7	1.2	0.907	0.279	-2.6	-6.3	-3.2	-4.6
UK	0.588	0.479	-1.3	-6.0	-2.5	-28.3	0.905	0.168	3.2	-1.7	-6.2	-31.0
Japan	105	57	0.0	0.0	-3.6	-7.5	0.967	0.443	-2.5	-2.5	-25.0	-28.1
Canada	0.590	0.287	-3.1	-5.3	5.0	7.8	0.431	0.221	-3.1	-5.3	5.6	8.5
USA ³	0.342	0.101	-2.0	-2.8	5.6	8.1	0.342	0.241	-2.0	-2.8	5.6	8.1
AUTOMOTIVE DIESEL⁴ Price per Litre												
France	3.452	2.292	-1.4	-4.1	6.9	8.4	0.667	0.224	-1.3	-4.0	1.5	2.9
Germany	1.024	0.620	-1.6	-4.0	1.8	4.7	0.670	0.264	-1.4	-3.8	-6.7	-4.1
Italy	1164.71	747.47	-1.1	-3.1	2.0	5.8	0.754	0.270	-0.2	-2.2	8.3	12.3
Spain	74.88	43.20	-0.5	-1.2	5.7	8.7	0.581	0.246	-1.0	-1.7	-0.3	2.5
UK	0.465	0.343	-1.9	-6.9	-0.2	-20.3	0.715	0.188	2.6	-2.6	-4.1	-23.3
Japan	77	34	2.8	5.1	5.9	11.1	0.711	0.397	0.2	2.5	-17.7	-13.7
Canada	0.526	0.213	-0.2	-0.3	3.1	5.0	0.384	0.228	-0.2	-0.3	3.7	5.6
USA	..	..	..	..	..	..	..	..	..	..	..	..
DOMESTIC HEATING OIL Price per 1000 Litres												
France	2067.3	857.3	-2.9	-4.0	4.1	2.5	399.2	233.6	-2.8	-3.9	-1.2	-2.7
Germany	460.0	140.0	2.0	2.5	14.2	18.4	301.0	209.4	2.2	2.7	4.7	8.5
Italy	1338000	961100	-0.7	-2.2	1.5	4.7	866.6	244.1	0.2	-1.2	7.8	11.1
Spain	42277	18431	2.8	4.3	5.9	7.4	328.0	185.0	2.3	3.8	-0.1	1.3
UK	151.50	34.52	-5.9	-7.0	11.3	11.8	233.1	180.0	-1.6	-2.7	7.0	7.5
Japan ⁵	44393	1293	2.9	2.9	7.8	7.8	408.4	396.5	0.3	0.3	-16.2	-16.2
Canada	372.0	31.0	0.0	0.0	-0.8	-0.6	271.5	248.9	0.0	0.0	-0.2	0.0
USA ⁶	274.2	..	2.1	..	15.2	..	274.2	..	2.1	..	15.2	..
HFO FOR INDUSTRY^{4, 7} Price per Metric Ton												
France	642.0	156.9	-16.4	-20.6	-11.3	-14.9	124.0	93.6	-16.33	-20.55	-15.83	-19.20
Germany	200.0	30.0	-7.8	-9.1	-7.6	-8.6	130.9	111.3	-7.65	-8.91	-15.32	-16.26
Italy	266000	45000	-9.7	-11.4	-6.5	-7.7	172.3	143.1	-8.82	-10.58	-0.77	-2.07
Spain	18992	2150	-13.1	-16.5	-5.0	-6.0	147.3	130.7	-13.50	-16.90	-10.41	-11.33
UK	85.77	18.20	-13.0	-16.0	-4.7	-7.8	132.0	104.0	-9.01	-12.09	-8.33	-11.33
Japan	19516	568	0.0	0.0	12.5	12.5	179.5	174.3	-2.48	-2.48	-12.54	-12.54
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 Previous month data

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

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. The Czech Republic, Hungary and Mexico continue to be included with the non-OECD countries pending submission of detailed historical data needed to incorporate them 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 (© 1996 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 are indicative of *broad trends* rather than 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 the Czech Republic, Hungary and 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, the United Kingdom and the 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. *The 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. *The Middle East* comprises Bahrain, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, the Neutral Zone, Oman, Qatar, Saudi Arabia, Syria, the United Arab Emirates and Yemen.