7 May 1996

HIGHLIGHTS

- OECD oil demand in 1Q96 has been revised downwards by almost 0.1 mb/d from last month's Report to 41.9 mb/d, mainly due to lower-than-expected demand in March and downward adjustments to last month's preliminary estimates of US and Japanese demand in February. Non-OECD demand in 1Q96 has also been lowered by nearly 0.1 mb/d to 30.5 mb/d and global oil demand in 1Q96 has been reduced to 72.5 mb/d, an annual increase of 1.6 mb/d or 2.4%.
- OECD demand in 2Q96 remains essentially unchanged at 39.8 mb/d but uncertainty surrounds the timing of secondary/tertiary stock building. OECD demand in 1996 remains unchanged at 41.1 mb/d but non-OECD demand and global demand have been revised downwards by 0.1 mb/d to 30.5 mb/d and 71.6 mb/d respectively, the latter representing an annual increase of 1.7 mb/d or 2.4%.
- In April, a general absence of the various factors that had constrained non-OPEC oil supplies in 1Q96 contributed to an estimated increase in global oil supplies of 0.5 mb/d to 72.1 mb/d. Additional growth, especially from offshore areas outside the North Sea, is expected in May and June and non-OPEC supply is projected to be 350 kb/d higher in 2Q96 than in 1Q96.
- OPEC production in April is assessed at 26.1 mb/d, slightly above March's level, with increases in Iran, Algeria, Nigeria and Qatar more than offsetting declines in Kuwait, Libya and Indonesia.
- In April, favourable weather in the Black Sea and seasonally declining Russian demand permitted a sharp increase in net FSU exports to over 2.5 mb/d, the highest level since last summer.
- The average call on OPEC plus stock change for the last three quarters of 1996 has been increased by 0.1 mb/d to 24.5 mb/d, with a "call" of 24.0 mb/d in 2Q96, primarily as a result of a small decrease in 2Q96 non-OPEC supply.
- Consistent with the seasonal reduction in demand, the rate of the OECD industry stockdraw slowed from 2.6 mb/d in February to 0.5 mb/d in March, resulting in an average draw of 1.2 mb/d in 1Q96. At the end of March, stocks were 116 mb lower than a year earlier and 68 mb lower than at the end of 1Q94, equivalent to four days and three-and-a-half days respectively of forward demand. The stock reductions were entirely in North America as crude stocks in Europe and the Pacific were higher than in both the previous two years. Total OECD crude stocks were close to last year's level, while distillate stocks continued to be significantly lower.
- The prices of WTI and Brent increased to new post-Gulf War highs in early April, mainly supported by rising product prices and supply tightness in North America, but then decreased to end-February levels towards the end of April. Increasing crude availability caused backwardation to decrease appreciably. Sour crude prices in the Mediterranean and prices for Asian benchmark crudes decreased relative to those of Brent, consistent with both ongoing and approaching refinery turnarounds in both regions.
- Prices for middle distillates continued to rise until mid-April and then decreased, particularly in North America and Europe, with the onset of milder weather in the northern hemisphere. Prices for gasoline increased in all markets, most notably in Europe and in the US.
- Refining margins were very volatile during April due to the significant changes in the relative values of products and crude. However, on average, refining margins remained almost unchanged in Europe and Singapore and increased slightly in the US. Rises in gasoline prices offset the effect of decreasing middle distillate prices.
- In March, the aggregate refinery throughputs in OECD countries decreased by 0.6 mb/d to 32.5 mb/d, with declines in Europe and Japan partly offset by an increase in the US. Preliminary indications for April suggest lower throughputs in Europe and Japan and higher throughputs in the US.

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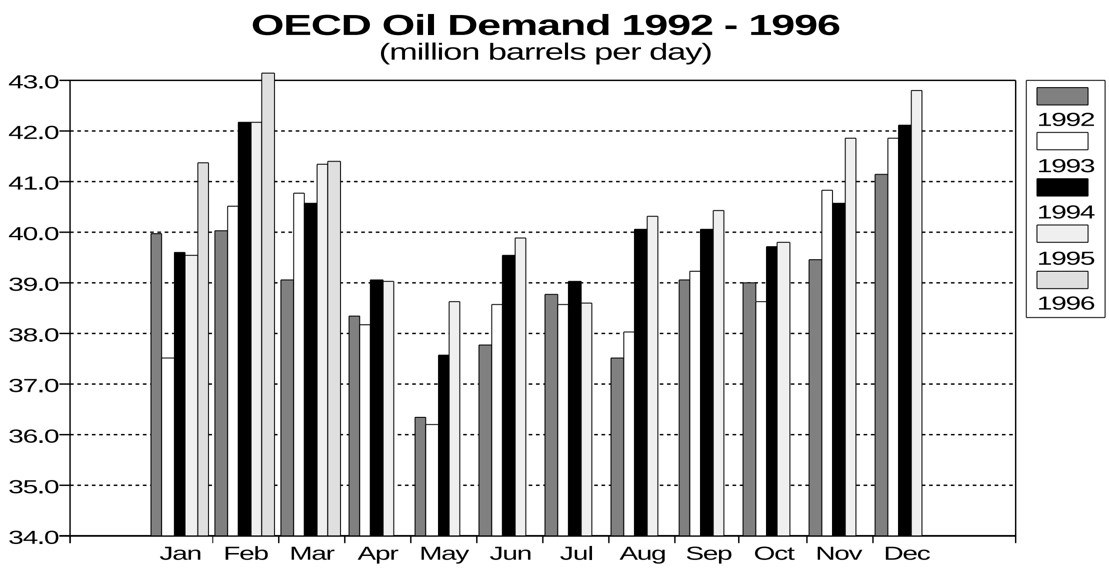
DEMAND

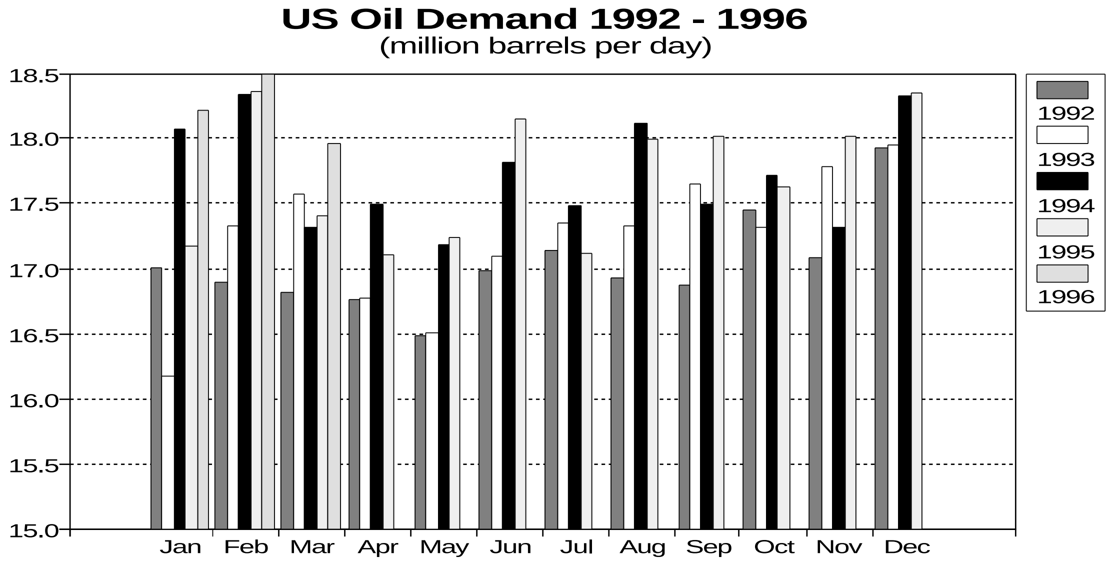
Summary

- In March, US oil demand is estimated to have increased over March 1995 by 3.4%, with strong demand growth for gasoil and "other products" more than offsetting a decrease in gasoline deliveries. In Europe, oil use in the four largest oil-consuming countries decreased by 7.0%, due to two less working days and an 15.9% decline in heating oil deliveries which reflected a combination of strong deliveries last year and prevailing high prices this year that appears to have discouraged stock replenishment. Japanese oil deliveries increased by 0.2%, with demand increasing for all major products except petrochemical feedstocks and residual fuel oil and crude for direct use in the power generation sector.

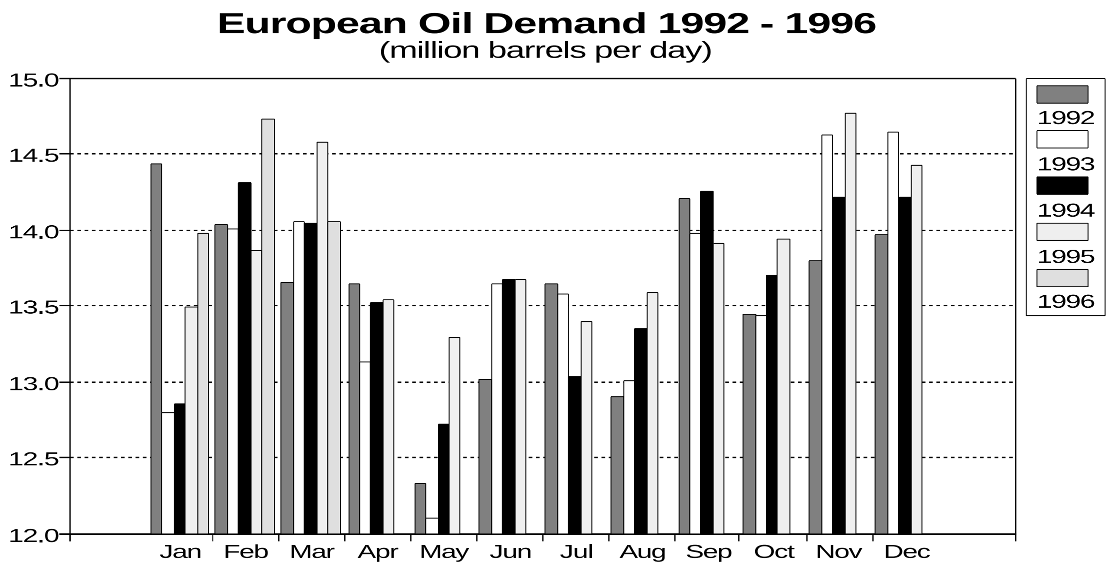
- OECD oil demand in 1Q96 has been revised downwards by 0.1 mb/d from last month's Report, primarily due to lower-than-expected demand in March in Europe and in Japan. In addition, last month's preliminary estimates of US and Japanese demand in February have been reduced. Non-OECD demand in 1Q96 has also been lowered by 0.1 mb/d due to an adjustment to FSU apparent demand. Global oil demand in 1Q96 has been revised downwards by 0.1 mb/d from last month's Report to 72.5 mb/d, an annual increase of 1.6 mb/d or 2.2%.

- OECD demand in 2Q96 remains essentially unchanged at 39.8 mb/d but uncertainty surrounds the timing of secondary/tertiary stockbuilding in Europe and oil use in the Japanese power generation sector. OECD demand in 1996 remains unchanged at 41.1 mb/d but non-OECD demand has been revised downwards by 0.1 mb/d to 30.5 mb/d due to adjustments to FSU demand in 1Q96. Global demand in 1996 has been revised downwards by 0.1 mb/d to 71.6 mb/d, representing an annual increase of 1.7 mb/d or 2.4%.

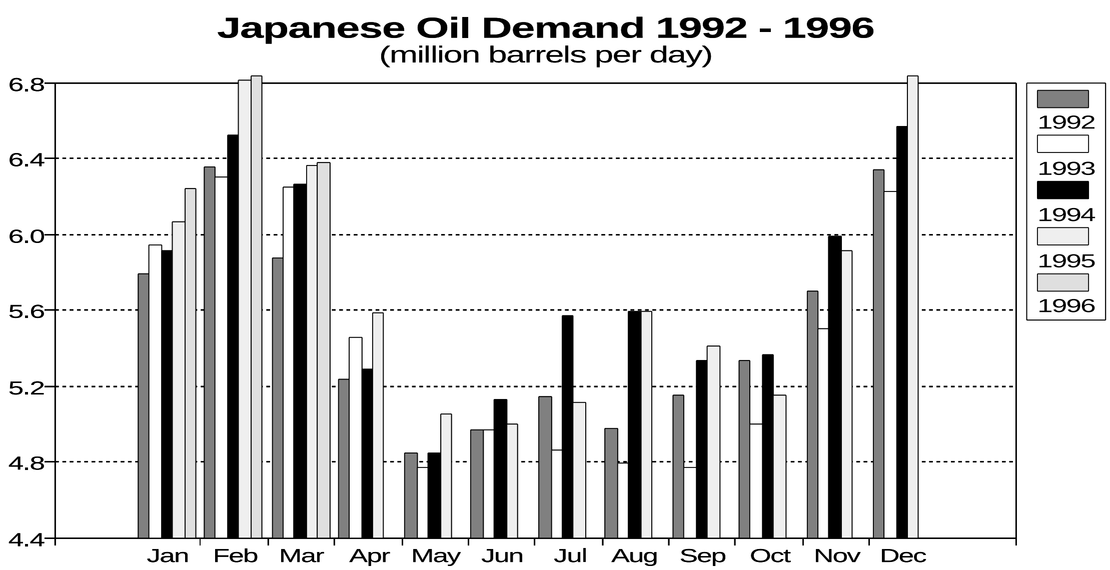




US Oil Demand 1992 - 1996
(million barrels per day)
18.5
18.0
17.5
17.0
16.5
16.0
15.5
15.0
Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec
1992
1993
1994
1995
1996



European Oil Demand 1992 - 1996
(million barrels per day)
15.0
14.5
14.0
13.5
13.0
12.5
12.0
Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec
1992
1993
1994
1995
1996



Japanese Oil Demand 1992 - 1996
(million barrels per day)
6.8
6.4
6.0
5.6
5.2
4.8
4.4
Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec
1992
1993
1994
1995
1996

OECD

Demand in March 1996

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

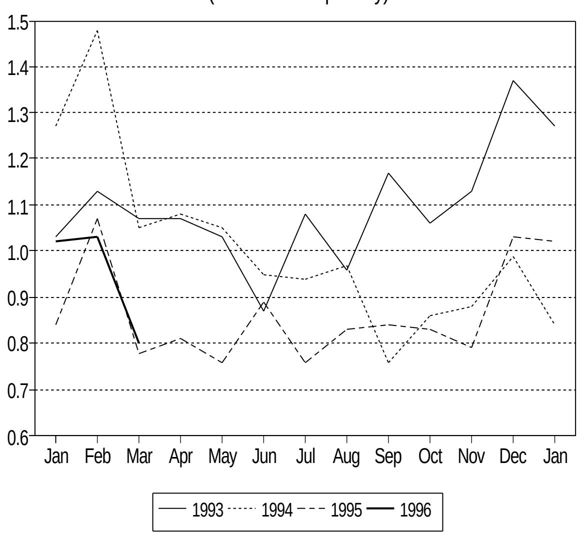
Preliminary Inland Deliveries - March 1996[1]

	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]	7.75	-0.3	1.58	+6.6	2.01	+6.1	1.47	+1.5	0.84	+7.2	18.00	+3.4
Canada	0.56	-1.6	0.09	+4.7	0.30	+1.7	0.15	+12.0	0.09	-16.5	1.39	-0.6
Japan	0.88	+2.3	0.90	+6.1	0.83	+2.6	0.62	+2.8	0.73	+1.0	5.96	+0.2
France	0.32	-10.3	0.10	+5.0	0.48	-4.7	0.37	-12.2	0.10	+4.1	1.80	-7.2
Germany	0.68	-5.0	0.12	-1.1	0.53	-9.7	0.78	-21.2	0.13	-3.9	2.72	-9.8
Italy	0.39	-3.5	0.06	+8.3	0.36	+2.2	0.14	+1.5	0.44	-9.4	1.79	-3.0
UK	0.51	-3.8	0.24	+3.1	0.29	-3.3	0.18	-8.6	0.11	-30.6	1.64	-6.1
European Four	1.89	-5.3	0.52	+3.0	1.65	-4.8	1.46	-15.9	0.79	-10.9	7.96	-7.0
Total	11.09	-1.1	3.09	+5.8	4.80	+1.3	3.70	-5.7	2.45	-2.1	33.32	0.0

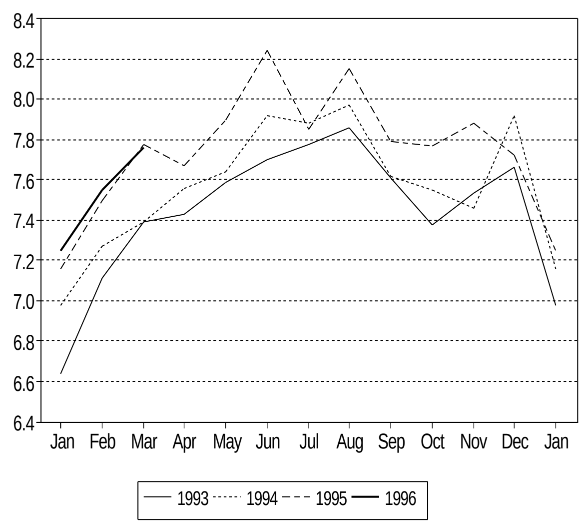
Sources: US EIA, Japan MITI, France CPDP, Germany MWV, UK PIA, Italy Ministry of Industry, Statistics Canada
1 excludes refinery fuel and bunkers (except US)
2 includes other products not shown and direct use of crude oil
3 fifty states only - Diesel is estimated from preliminary indications of low sulphur gasoil deliveries
Percentage change is calculated versus March 1995

In March, **US** deliveries increased by nearly 0.6 mb/d, with strong demand growth for all major products except heating oil, which increased moderately, and motor gasoline, which declined. On a heating-oil-weighted basis, the US experienced 6.7% more heating degree days than normal and 17.5% more than last year. Despite this, heating oil deliveries increased by only 1.5% or 115 kb/d, indicating that consumer stocks may have been drawn down. Residual fuel oil deliveries increased by 7.2% or 55 kb/d, partly due to increased demand from electricity utilities on the East Coast, where cold weather contributed to high electricity demand and to the interruption of gas deliveries to those consumers with interruptible gas contracts. Natural gas prices were higher than those of residual fuel oil in January but the positions subsequently reversed. However, in certain cities on the Northeastern Coast, gas prices remained at a premium to residual fuel oil and, although the premium narrowed or even reversed in March, deliveries of residual fuel oil remained buoyant.

US Residual Fuel Oil Demand
(million barrels per day)

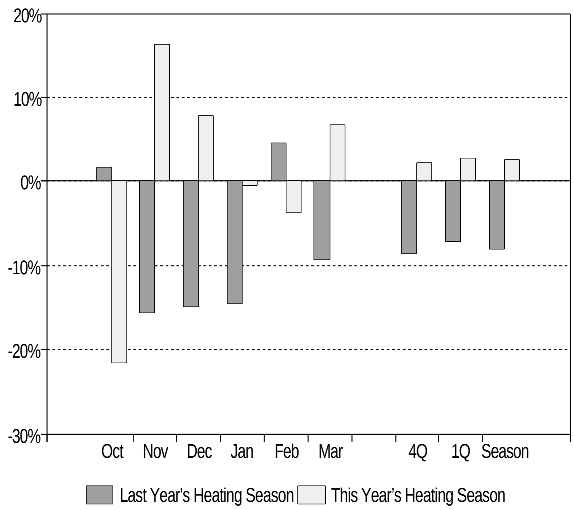


US Gasoline Demand
(million barrels per day)

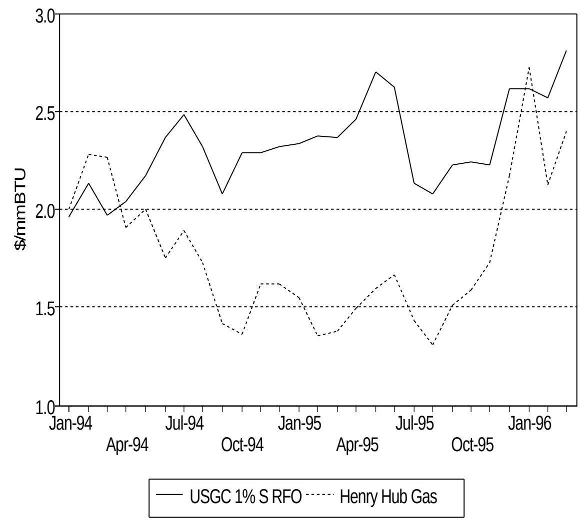


Jet/kerosene deliveries continued to increase strongly, in part due to a reduction in airline ticket prices linked to the suspension of a federal surcharge on domestic flights and also due to greater use as a blendstock in diesel to improve cold-handling properties. A recent acceleration in the rate of growth of manufacturing output has contributed to increased commercial road and rail haulage and hence, strong diesel demand. However, the American Petroleum Institute has suggested that low sulphur diesel demand has grown faster than expected due to increasing use of low-sulphur gasoil for heating purposes. Motor gasoline deliveries fell by 0.3% or 25 kb/d, in part due to a greater number of weekend days this March compared with a year earlier. Gasoline deliveries are usually lower on weekends and if the data are adjusted for this calendar effect, deliveries increased in March in line with recent trends. Higher retail prices this March marginally affected demand and this issue is discussed later in this section. "Other" product deliveries increased by 8.2% or 0.3 mb/d. Although the preliminary data for "other" products are not disaggreagated by product, it is believed that much of the demand strength was due to a recovery in petrochemical feedstock deliveries and increased propane use for space heating.

US Heating Degree Days
Compared with Normal (%) (Heating Oil Weighted)



Differential between US Gulf Coast Residuel Fuel Oil and Gas Prices



Note: The US Gulf Coast price of 1% sulphur residual fuel oil is compared with the natural gas price at Henry Hub, Louisiana.

In **Europe**, oil demand in March in the four largest oil-consuming countries decreased by 7.0%, the largest monthly decrease since January 1993, caused by a variety of factors. First, there were two less working days than last March. Secondly, residual fuel oil deliveries were weak due to the combination of high prices, the continuing unfavourable price differential to gas in the UK and reduced purchases by ENEL, following government permission to reduce its compulsory stocks up to the end of April. Thirdly, despite colder-than-normal weather and significantly colder weather than last year, heating oil deliveries were weak in France and Germany due to higher secondary/tertiary stock drawdown. In March 1995, favourable exchange rates, particularly in Germany, encouraged consumers to replenish stocks, while this March relatively high gasoil prices and a marked backwardation in the market created an incentive to draw stocks and defer purchases. Lastly, road transport fuel demand was weak in all four countries, partly due to unfavourable driving conditions and also consistent with recent demand weakness in France and Germany, consistent with weak economic growth.

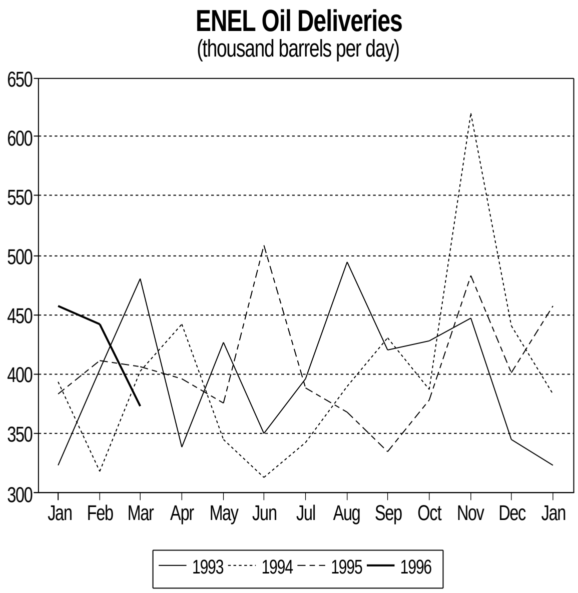
In **France**, deliveries of heating oil decreased by 52 kb/d, despite the country experiencing 8.8% more heating degree days than normal and 5.7% more than last year. Although the weather data imply higher consumption, increased use was most likely met by a stock drawdown as stocks are thought already to have been partially replenished following a 20% increase in deliveries in February. Deliveries of residual fuel oil increased moderately with a 14% decrease in deliveries to industry more than offset by a 311% increase in deliveries to the power generation sector. Gasoline deliveries continued to be lower than the previous yearly level, primarily due to dieselisation, but the decline was greater than expected, reflecting unfavourable driving conditions and less working days. In spite of the cold weather, LPG demand decreased significantly for the second successive month, reflecting a slowdown in petrochemical activity, and naphtha deliveries were correspondingly weak.

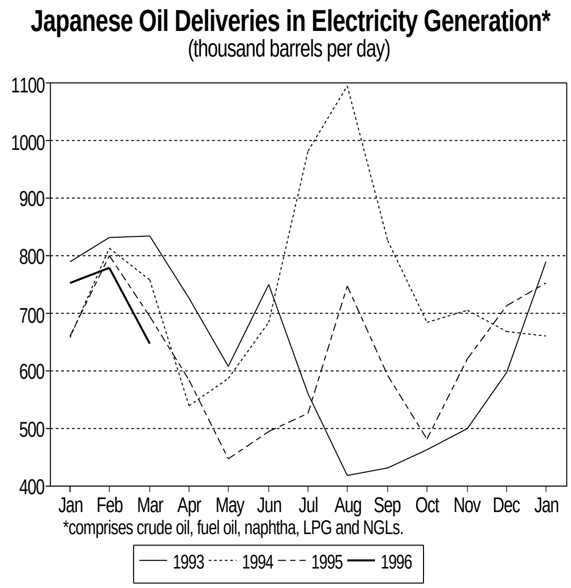
German oil demand decreased by the greatest rate since January 1993 with declines in demand for all products (see table above). Although preliminary weather data indicate that Germany experienced more heating degree days than last year, heating oil deliveries fell by 210 kb/d. About 170 kb/d of this reduction is estimated to have been due to a higher stock draw for the reasons discussed above.

In the **UK**, colder-than-normal weather contributed to moderate growth in jet/kerosene demand and a

14.9% increase in naphtha deliveries represented an additional 12 kb/d of demand. However, these minor increases were more than offset by a decline in demand for all other products. Residual fuel oil deliveries decreased by 31% or 50 kb/d, primarily due to the unfavourable price differential to gas and the growth in gas combined cycle plant capacity for power generation. Gasoline and diesel demand decreased by an aggregate of 30 kb/d, due to a combination of less working days, poorer driving conditions and moderate economic growth. LPG deliveries declined by 29 kb/d or 18.6% despite colder weather, primarily due to weak petrochemical demand and possibly some substitution of LPG by naphtha in the petrochemical sector.

In **Italy,** demand declined, mainly due to a 46 kb/d decrease in residual fuel oil deliveries, which was in part due to a reported decline in deliveries to ENEL. The company is reported to have reduced its purchase of residual fuel oil following the recent government permission to reduce its compulsory stock levels by 300,000 to 400,000 tonnes until the end of April. Electricity consumption increased by only 0.2% with hydro electricity increasing by 13.8% and electricity imports decreasing by 6.7%.





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

Oil demand in **Japan** was essentially unchanged, with weak petrochemical feedstock demand and lower deliveries of crude to the power generation sector counterbalanced by demand strength for all other major products, particularly gasoline. LPG and naphtha deliveries decreased by 1.5% and 6.9% respectively or by an aggregate 65 kb/d, primarily due to strong year-earlier deliveries. Deliveries of residual fuel oil and crude to the power generation sector decreased by 3% and 12% respectively but consumption declined by 7% and 27%, leading to a lower stockdraw, and stocks closed the month some 9% higher than last year. Electricity demand increased by 2.2% with a decline in oil consumption more than offset by increases of 22% in hydro and 6% in nuclear output. Jet/kerosene demand increased by over 50 kb/d or 6.1%, in part due to the country experiencing 4% more heating degree days than last March. Strong road transport demand growth, which has been apparent since November, continued in March. This demand strength is consistent with increased economic growth, following recent additional economic and financial measures by the Japanese government, which is likely to have led to increased commercial road haulage and private passenger travel.

Demand in 1Q96

OECD demand in 1Q96 has been revised downwards by 0.1 mb/d from last month's Report to 41.9mb/d, an annual increase of 1.0 mb/d or 2.4%. The revision reflects downward adjustments to demand in Europe and the Pacific Region that have more than offset higher North American demand. European and Pacific Region demand have been revised downwards by 0.1 mb/d from last month's Report but, due to rounding, North American demand remains unchanged at 20.3 mb/d.

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

	1Q95	1Q96	Change mb/d	Change %
North America	19.6	20.3	0.7	3.4
Europe	14.0	14.2 r	0.3	1.8
Pacific	7.3	7.4 r	0.1	0.8
OECD Total	41.0	41.9 r	1.0	2.4

North American demand is estimated to have increased by 0.7 mb/d or 3.4% in 1Q96, an upward revision of 45 kb/d from last month's Report that leaves, due to rounding, the estimate unchanged at 20.3 mb/d. The preliminary estimate of US demand growth in February of 2.2% has been revised downwards to 0.8%, primarily due to a restatement of motor gasoline and gasoil demand. Instead of increasing by 1.8% and 2.5% respectively, gasoline and gasoil are now estimated to have increased by only 0.6% and 0.9%. The changes to the US February data alone are equivalent to an 83 kb/d downward adjustment to demand in the quarter but this change has been more than offset by a combination of an upward revision to Canadian demand in February and greater-than-expected demand in the US in March. The preliminary March data remain subject to revision and, in particular, Canadian LPG deliveries to the petrochemical sector is still estimated.

European demand in 1Q96 is estimated to have increased by 0.3 mb/d or 1.8% to 14.2 mb/d, a 33 kb/d downward revision which, due to rounding, has led to a 0.1 mb/d adjustment from last month's Report. This revision reflects upward adjustments to preliminary February data which have been more than offset by weaker-than-expected demand in March. French demand in February is now assessed to have increased by 15.8% rather than by 9.0% as originally reported, primarily due to a restatement of LPG and "other" product demand. Smaller upward revisions have been made to petrochemical feedstock demand in Germany, and residual fuel oil deliveries in Italy declined by only 0.9% in February, rather than by 11.4%, as originally reported. Swedish demand in February was much greater than expected, in part due to a 72 kb/d combined increase in gasoil and residual fuel oil demand, with significantly colder weather than last year leading to increased oil use in combined heat and power plants and district heating facilities. In contrast to the upward revisions to February data, deliveries in March in the four largest oil-consuming countries were significantly weaker than expected. Even though some demand weakness was already incorporated in the estimate, the decline in demand exceeded expectations due to poorer driving conditions, which constrained transport fuel demand, and there was a particularly large drawdown of consumer heating oil stocks as discussed above.

Pacific region demand in 1Q96 has been revised downwards by 89 kb/d and has led to a 0.1 mb/d adjustment from last month's Report. Japanese demand in February is now reported to have increased by only 0.4%, rather than by 1.3% as originally reported, mainly due to a restatement of residual fuel oil and "other" product demand. In addition, Australian demand in February was significantly weaker than expected, declining by 9.0%, primarily due to a marked decline in residual fuel oil demand. Japanese demand was weaker than expected in March, mainly due to a greater-than-anticipated decline in deliveries of residual fuel oil and crude oil to the power generation sector.

Demand in 2Q96 and 1996

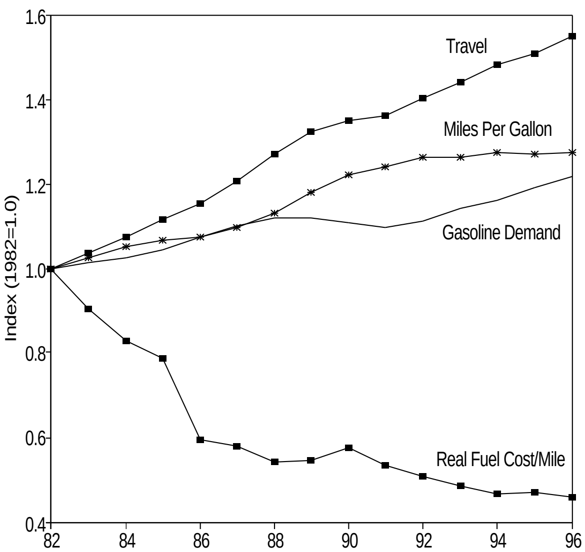
Following growth in demand in 1Q96 of 1.0 mb/d, demand growth in 2Q96 is expected to moderate to 0.7 mb/d. OECD demand in 2Q96 is projected to be unchanged from last month's Report at 39.8 mb/d, an annual increase of 1.7%.

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

	2Q95	2Q96	Change mb/d	Change %
North America	19.5	19.9	0.4	1.9
Europe	13.5	13.7	0.2	1.7
Pacific	6.2	6.3	0.1	1.3
OECD Total	39.2 r	39.8	0.7	1.7

North America demand remains unchanged from last month's Report. The projection continues to incorporate an assumption of moderate growth in residual fuel oil deliveries and fairly strong gasoline demand growth. Higher natural gas prices and the replenishment of severely-depleted gas storage facilities are projected to limit the use of gas by consumers with interruptible contracts, leading to residual fuel oil demand growth. However, preliminary delivery data for April appear to contradict this assumption (see below). Gasoline demand is assumed to grow fairly strongly due to well-established trends in the US passenger car market. The chart below shows trends in gasoline demand indicators since 1982 and illustrates the impact of two long-term trends on demand. First, miles driven have increased continuously, reflecting demographic factors such as an increased driving age population, increased living standards and a decline in the geographic concentration of the population. Contributing to increased living standards and to the miles driven is the decrease in the real fuel cost per mile. Secondly, the average fuel efficiency of the US vehicle population has stagnated since the early 1990s. This is due to a combination of the increasing share of lower-efficiency vehicles such as light vans and sport cars, and the introduction of changes in gasoline quality which are designed to reduce pollution but adversely affect efficiency. Light vans are about 30% less efficient than cars while the introduction of RFG is thought to have decreased the average efficiency of US vehicles by about 0.5% in 1995. The removal of the national speed limit will mainly affect inter-urban expressways, but as this network represents only one quarter of the road system, the overall impact on national vehicle efficiency is expected to be minor.

Annual US Gasoline Market Trends



Source: US Energy Information Administration

Recent price increases in the US and, in particular, in California are likely to affect gasoline demand. The short-term price elasticity of gasoline demand in the US is thought to be about -0.07 (i.e. a 10% increase in price leads to a 0.7% decline in demand). As discussed in the Prices section below, gasoline prices in California have increased particularly sharply due to the introduction of new Carb (California Air Resources Board) gasoline. In PADD5 (Petroleum Administration for Defense Area 5 - West Coast including California), the retail price of gasoline on 22 April 1996 was $1.48/gallon including taxes. This represented a 20.8% increase since the start of the year and a 17.3% increase over twelve months. Price increases for the US as a whole (including PADD5) for the equivalent time periods were 15.2% since the start of the year and 9.9% from the same period last year. Thus, as an example, the current higher prices coupled with the -0.07 price elasticity, suggest that gasoline demand in the US and PADD5 would be some 0.7% and 1.2% lower respectively than if prices had been unchanged.

According to preliminary demand data for the four weeks up to 26 April, US demand increased by 0.6%, with deliveries of gasoil and gasoline increasing by 7.1% and 0.8% respectively and residual fuel oil declining by 10.9%. The reduction in residual fuel oil demand, in spite of colder-than-normal weather on the East Coast, may be partly due to the impact of high prices on consumer stock policy. Similarly, weak gasoline demand may also be partly attributable to the temporary rise in retail prices. Although the projection of North American demand for 2Q96 remains unchanged, it clearly is subject to downward revision if the trends outlined in this preliminary data continue in the remaining months of the quarter.

European demand in 2Q96 is unchanged from last month's Report at 13.7 mb/d, although there is considerable uncertainty about the timing of secondary/tertiary stockbuilding. Indications of lower-than-expected economic growth, particularly in Germany and France, and their impact on oil demand were incorporated in last month's Report. Demand in April is projected to be strong due to two additional working days compared with last year. Higher water levels in Spain and Portugal compared with last year are likely to lead to lower residual fuel oil use in the power generation sector. In contrast, increased fuel oil purchases in the French power generation sector in March may continue in 2Q96 as a drought in the northern part of the country may be limiting nuclear output.

Oil demand in 2Q96 in the **Pacific** region remains essentially unchanged from last month's Report, although uncertainty surrounds deliveries of residual fuel oil and crude to the Japanese power generation sector. Increased nuclear capacity is likely to constrain oil use but continuing low water levels may limit hydro output, supporting oil use by electricity utilities.

In spite of a downward revision to 1Q96 demand, OECD demand in 1996 remains unchanged from last month's Report at 41.1 mb/d, an annual increase of 0.7 mb/d or 1.7%.

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	20.3	0.7	19.9	0.4	20.2	0.4	20.4	0.3	20.2	0.4
Europe	14.2 r	0.3	13.7	0.2	13.8	0.2	14.5	0.2	14.1	0.2
Pacific	7.4 r	0.1	6.3	0.1	6.4	0.1	7.0	0.1	6.8	0.1
Total	41.9 r	1.0	39.8	0.7	40.5	0.8	42.0	0.5	41.1	0.7

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

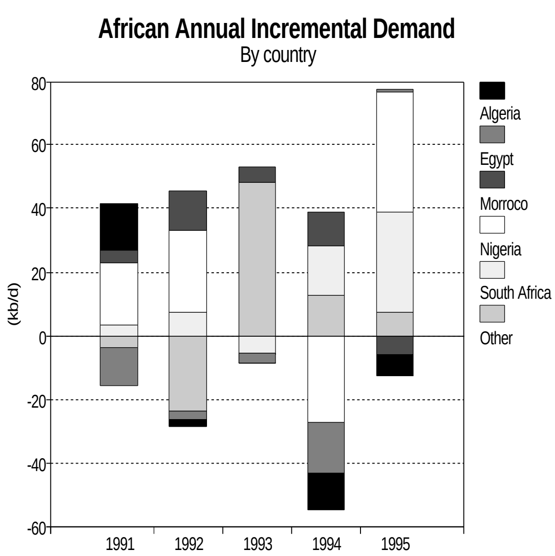
Non-OECD

Africa

Following receipt of revised 1994 and 1995 demand data for six of the leading oil consuming countries in Africa, minor adjustments have been incorporated within the estimate of African demand. This has not led to any revisions to Table 1 apart from a 0.1 mb/d downward adjustment to demand in 1Q94. While the six countries in the table below represent just under 70% of African demand, data for many of the other unnamed countries remain uncertain and consequently, the estimates and projections of African demand could be subject to significant revision. Nevertheless, the preliminary data below shows some interesting trends; most notably, African demand in 1994 is now assumed to have decreased marginally, primarily due to a greater-than-expected decline in Nigerian demand. In 1995, strong growth in South Africa and a recovery in Nigeria have been partially offset by demand declines in three Magreb countries.

African Demand 1990-1995

	kb/d						% per annum change					
	1990	1991	1992	1993	1994	1995	1990	1991	1992	1993	1994	1995
Algeria	190	205	202	202	190	183	-3.0	8.0	-1.3	-0.2	-6.0	-3.6
Egypt	456	444	441	437	421	422	2.2	-2.7	-0.8	-0.8	-3.7	0.3
Morocco	112	116	129	135	145	140	2.3	3.7	11.1	4.0	8.1	-4.1
Nigeria	217	236	262	262	235	272	8.7	9.0	10.9	-0.1	-10.4	16.1
South Africa	372	375	383	377	393	425	7.3	0.9	2.0	-1.5	4.2	8.1
Tunisia	69	75	75	78	72	70	4.7	8.8	-0.5	4.5	-7.7	-2.8
Other	573	563	540	585	604	614	-1.5	-1.7	-4.1	8.4	3.2	1.7
Total	1989	2015	2032	2076	2059	2126	2.2	1.3	0.8	2.2	-0.8	3.2



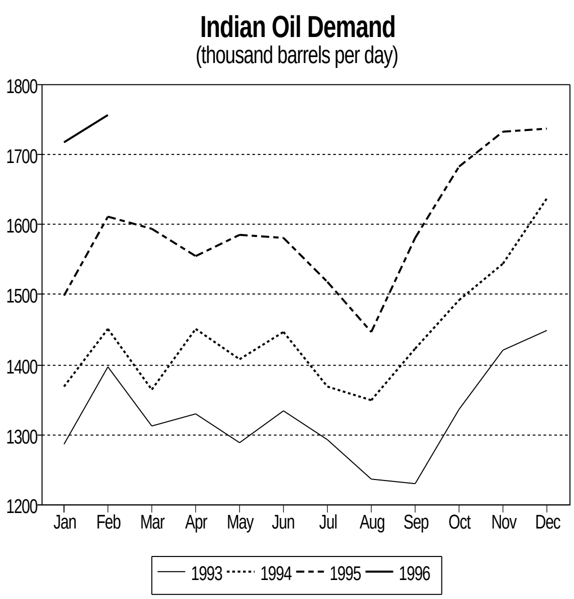
Following a 6% decrease in 1994, the decline in **Algerian** demand moderated in 1995, leaving overall demand at pre-1990 levels. Motor gasoline and LPG demand declined by 8% and 7% respectively but gasoil demand, which represents over 30% of oil demand, increased for the first time in three years. Demand increased in **Egypt** for the first time in five years, in part due to a slowdown in the rate of substitution of residual fuel oil by natural gas in the power generation sector. Residual fuel oil demand dropped by only 2% compared to falls of 8% in 1994 and 12% in 1993. The decline in residual fuel oil demand was offset by a return to demand growth for jet/kerosene (8%) and gasoil (3%). Gasoline demand continued to decline (-2%). Following strong demand growth in **Morocco** in 1994, particularly for gasoil and residual fuel oil, a pricing system was introduced in 1995 which more closely reflected world prices. This contributed to a decline in gasoline and residual fuel oil demand and brought to a halt the recent strong growth in gasoil demand. LPG demand increased by 7%, in part due to LPG's exclusion from the recent consumer price increases as the government wishes to encourage its use. In **Tunisia**, demand declined for the second successive year, primarily due to a 20% fall in residual fuel oil use, consistent with continuing substitution by gas in the power generation sector. Increased imports of Algerian gas have contributed to the halving of residual fuel oil use since 1991.

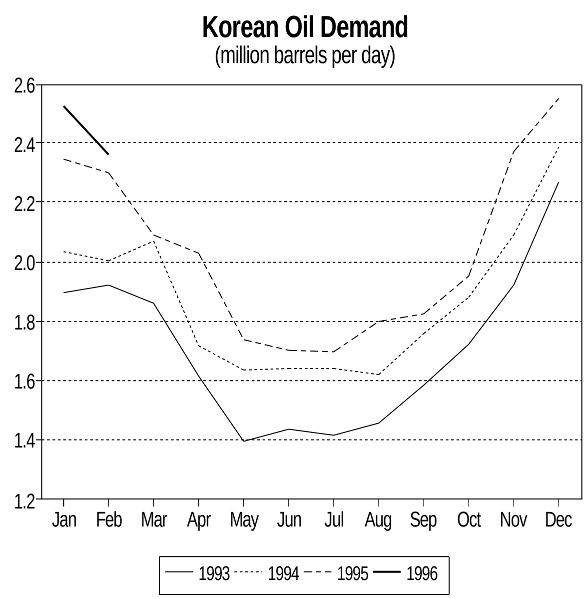
Political and industrial unrest in **Nigeria** in 1994 contributed to a 10% or 27 kb/d decrease in demand, with declines in gasoline and diesel demand of 8% and 14% partly offset by a 13% increase in residual fuel oil use. In 1995, demand for all products more than recovered, led by a 29% increase in diesel use. In **South Africa**, the rate of demand growth almost doubled in 1995, with increases in demand for all products except LPG. Gasoline and gasoil demand each increased by 7%, partly reflecting increased use of taxi-minivans to transport workers from townships to their places of work. The majority of incremental demand was attributable to a 21 kb/d increase in bunker fuel demand which increased from a comparatively low level in 1994.

The projection of African demand in 1996 remains essentially unchanged at 2.1 mb/d, with the rate of demand growth slowing from 3.2% in 1995 to 2.3%, reflecting an assumed return to a more sustainable rate of growth following two years of marked fluctuations in demand in many of the larger oil consuming countries.

India

Data published by the Indian Ministry of Petroleum and Natural Gas indicate that Indian oil demand (excluding refinery fuel) increased in February by 9.5% to 1.75 mb/d, less than the 15.9% increase recorded in January but more in line with the 10.9% growth experienced in 1995. Diesel demand growth increased by 13.7% or 90 kb/d and represented over 60% of total incremental growth. Diesel is used in the agricultural, transport and power generation sectors. In recent years, ongoing power shortages have encouraged the rapid expansion of small scale diesel-fuelled power generation capacity. Increased diesel use in February may be indicative of localised shortages of hydro capacity as February is part of the dry season during which water shortages can occur.





Kerosene declined by 2.2%, slightly below trend. Demand for kerosene varies little as it is used largely for cooking. The price of kerosene is subsidised due to its importance as a cooking fuel for large sections of the population. In recent years, the price of kerosene has become far cheaper than diesel which has encouraged the adulteration of diesel with kerosene in the transport sector. This diversion of kerosene has caused scarcities in the residential sector and, to reduce this occurrence, the government has attempted to minimise the price differential between diesel and kerosene. Diesel consequently remains far cheaper than petrol, which has prompted many car owners to retrofit their vehicles with inefficient diesel engines. Despite this incentive to use diesel for road transport, gasoline demand grew by 14.2% in February, contributing 10% of total incremental demand. Petrochemical feedstock demand was robust with naphtha deliveries increasing by over 11%, despite growth of more than 20% in February 1995. Demand growth for residual fuel oil was below trend, increasing by some 6.6%, despite weak growth of 2.3% in February 1995. LPG deliveries continued to increase strongly, by 8.1%, consistent with price subsidies and increased availability. The government has encouraged the use of LPG in urban areas, in part due to its convenience. In order to improve LPG supply, the government recently allowed private companies, both domestic and foreign, to import and market LPG.

South Korea

Data published by the Korean Energy Economics Institute show that South Korean oil demand (including bunkers) increased by only 2.6% in February to 2.36 mb/d, far below the 8.8% growth recorded in 1995. This was largely due to a 9.7% or 50 kb/d decrease in residual fuel oil deliveries, following strong growth in February 1995. In the longer term, demand for residual fuel oil is likely to weaken due to its increased replacement by coal, gas and nuclear in the power generation sector. Gasoline demand increased by 17.5%, in line with recent trends, but diesel deliveries increased by only 1.3%, substantially below the 10.9% growth achieved in 1995. Despite indications of a slowdown in the growth of petrochemical capacity, naphtha deliveries increased by 9.0% or 34 kb/d. Although South Korean demand growth in 1Q96 was lower than in the recent past, the strong demand growth in India and anecdotal indications of similar demand strength in other Asian countries have left the estimate of Other Asian demand in 1Q96 unchanged from last month's Report at 8.6 mb/d, an annual increase of 0.5 mb/d or 6.1%.

Non-OECD and Global Demand in 1Q96 and 1996

FSU demand in 1Q96 and 1996 has been revised downwards by 0.1 mb/d from last month's Report, reflecting adjustments to supply in 1Q96. This has resulted in similar downward revisions to total non-OECD demand. Non-OECD demand in 1996 is now projected to increase by 0.9 mb/d or 3.1% to 30.5 mb/d. Due to the revisions to non-OECD demand and adjustments to OECD data in 1Q96, global demand in 1Q96 and 1996 has also been revised downwards by 0.1 mb/d, with global demand in 1996 now projected to increase by 1.7 mb/d or 2.4% to 71.6 mb/d.

SUPPLY

Summary

- April world oil supply is estimated to have increased by 0.51 mb/d to 72.1 mb/d from March levels that were depressed by technical problems and maintenance outages. Most of the increase came from non-OPEC countries.
- OPEC crude oil production is thought to have risen by about 30 kb/d to 26.14 mb/d, led by higher Iranian production. Small increases in Algerian, Nigerian and Qatari production were more than offset by declines in output from Kuwait, Libya and Indonesia.
- The largest increases in non-OPEC production resulted from the return from maintenance of the Statfjord field, which is seen as the major factor in a 165 kb/d gain in Norwegian production, and a 135 kb/d rebound in Russian production from an unexpected decline in March. Chinese offshore output is estimated to have recovered by about 90 kb/d from March maintenance and UK output rose by about 75 kb/d after technical problems in the Forties system in March. Australian production only grew by just over 15 kb/d because of the dampening effect of Cyclone Olivia on production from a few offshore fields. Offshore production from West Africa is thought to have been responsible for most of a 20 kb/d increase in African output. Partly offsetting these increases were declines of 65 kb/d in the US, due to lower Alaskan production, a 35 kb/d seasonal drop in Canadian production and an estimated 25 kb/d drop in Mexican production as a result of stormy weather.
- Net FSU exports rose to over 2.5 mb/d due to favourable weather in the Black Sea and a partial recovery in pipeline exports to Eastern Europe.

Non-OPEC Oil Supply

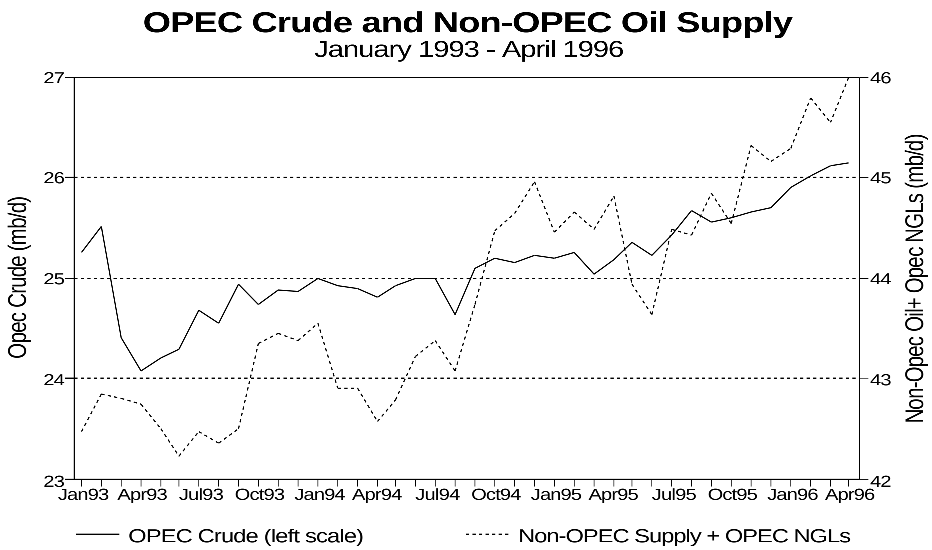
(million barrels per day)

	1994	1995	1996 f	1Q95	2Q95	3Q95	4Q95	1Q96 p	2Q96 f
CRUDE OIL									
North America	8.15	8.04	7.97	8.15	8.06	7.97	7.99	7.99	7.92
United States	6.66	6.52	6.42	6.63	6.56	6.43	6.47	6.48	6.40
Canada	1.48	1.52	1.55	1.51	1.51	1.54	1.52	1.51	1.52
Europe	5.61	5.85	6.41	5.85	5.53	5.77	6.24	6.18	6.09
North Sea	5.18	5.43	5.97	5.43	5.12	5.35	5.82	5.76	5.66
UK*	2.37	2.42	2.63	2.52	2.21	2.41	2.54	2.46	2.37
Norway	2.57	2.77	3.09	2.67	2.67	2.71	3.04	3.07	3.05
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	0.44	0.42	0.42	0.42	0.42	0.42	0.43
Pacific	0.59	0.56	0.70	0.56	0.57	0.58	0.53	0.57	0.71
Australia	0.54	0.51	0.66	0.52	0.53	0.53	0.48	0.53	0.66
Other Pacific	0.05	0.04	0.05	0.04	0.04	0.05	0.04	0.04	0.04
Total OECD	14.34	14.45	15.08	14.55	14.17	14.31	14.76	14.74	14.72
Latin America	5.17	5.34	5.72	5.34	5.28	5.54	5.19	5.65	5.71
Asia (inc. China)	4.65	4.92	5.17	4.87	4.88	4.95	4.99	5.04	5.16
Africa	1.86	2.00	2.14	1.95	2.01	2.02	2.03	2.04	2.08
Other Middle East	1.77	1.87	1.92	1.84	1.86	1.89	1.90	1.90	1.92
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)	13.70	14.38	15.18	14.23	14.27	14.65	14.35	14.87	15.11
Russia	6.10	6.00	5.98	6.03	6.06	5.97	5.95	5.91	5.99
Other Republics	0.81	0.83	0.90	0.77	0.85	0.85	0.86	0.86	0.90
Total FSU	6.91	6.83	6.88	6.79	6.90	6.81	6.81	6.77	6.89
NGLS & OTHER									
United States	1.98	2.06	2.07	2.07	2.08	2.05	2.05	2.03	2.06
Canada	0.79	0.87	0.92	0.88	0.87	0.83	0.91	0.90	0.88
North Sea	0.38	0.42	0.46	0.45	0.39	0.38	0.45	0.43	0.41
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	1.48	1.51	1.56	1.61
Total NGLs and Other	4.77	5.01	5.24	5.09	4.92	4.91	5.12	5.09	5.11
Processing Gains	1.43	1.48	1.51	1.48	1.48	1.48	1.48	1.51	1.51
Total Non-OPEC Supply	**41.14**	**42.14**	**43.88**	**42.14**	**41.73**	**42.17**	**42.52**	**42.98**	**43.33**

p preliminary
f forecast
* excluding on-shore production
** Denmark, off-shore Netherlands and off-shore Germany

Overview of Supply Developments and Revisions

Non-OPEC oil supply increased in April by an estimated 450 kb/d, with 150 kb/d of the rise in the OECD and 300 kb/d in the FSU and Developing Countries. The largest OECD gain was a 235 kb/d increase in North Sea production, about one-third from the UK sector and two-thirds from Norwegian waters, due to the return of fields from maintenance and technical difficulties, and some small new field increases. The North Sea growth more than offset a 100 kb/d decline in North American production, where a pipeline leak in Alaska and a seasonal decline as a result of spring thawing in Canada reduced output by 65 kb/d and 35 kb/d respectively. Elsewhere in the OECD, Australian production was up 15 kb/d from March, despite a six-day outage at two key offshore facilities during a cyclone. The non-OECD supply increase was centred in the FSU, which is estimated to have recovered by about 180 kb/d from unexpectedly depressed March levels, and in Asia, where about half as large a monthly increase resulted from a rebound in Chinese offshore production. A small net increase was seen for Latin America, as a 25 kb/d weather-related reduction in Mexican output and a drop of 10 kb/d in Colombian production (due to pipeline bombings) were more than offset by a 40 kb/d recovery in Brazilian offshore production, following weather interruptions there in March.



There was a 500 kb/d downward revision to the March non-OPEC supply estimate reflecting problems at a few fields in the UK sector of the North Sea and unexpectedly low Russian supplies. February figures have been revised downwards by 10 kb/d, as a less severe impact of cold weather in Canada was offset by lower than expected Norwegian and Australian production. The net result was a 150 kb/d reduction in the 1Q96 estimate of non-OPEC supply.

UK production was 230 kb/d below expectation as the Nelson and Magnus fields experienced technical problems with gas injection equipment and well performance respectively and the two new Liverpool Bay fields failed to follow the recent pattern of steep production escalation immediately after start-up. Several other UK fields were slightly below anticipated volumes, more than offsetting the few positive surprises. The 130 kb/d fall in Russian production occurred primarily in two Lukoil production associations and in joint-venture output, both for unexplained reasons. Compensating for some of the UK and Russian shortfalls were a 40 kb/d increase in Canadian production, reflecting an assumed continuation of the better-than-expected February performance, and 50 kb/d higher than anticipated Mexican production.

Offshore Production

An increasing portion of the growth in non-OPEC supply is occurring in offshore areas. World offshore supplies accounted for an estimated 30% of 1995 production of crude oil and NGLS, totalling 21.3 mb/d. The offshore share has increased from 25% in 1990 and is expected to continue to increase in both absolute and relative terms over the next several years. An increase of 1.7 mb/d in offshore production is projected for 1996, with about 0.7 mb/d of the increase coming from the North Sea. Increases in North Sea production have dominated offshore growth during the first half of the decade, accounting for nearly two-thirds of the growth in non-OPEC offshore supply. However, other areas are beginning to contribute to the offshore growth to a significant extent. This year, Gulf of Mexico production from both US and Mexican waters is expected to rise by 0.3 mb/d and gains of 0.1-0.2 mb/d each are projected for West

African, East Asian, South American and Australian offshore areas. The shift away from the North Sea is expected to be even more pronounced in 1997, with more than twice as large a gain foreseen for the four major non-North Sea offshore areas as is expected for the North Sea. Prospects for these offshore areas are discussed in the relevant sections below and a detailed study of the world offshore production outlook for the next five years will shortly be available (see notice on page 2).

World Offshore Oil Production 1990-1997
(mb/d)

	1990	1991	1992	1993	1994	1995	1996	1997
Summary by Region								
North Sea	3.77	4.00	4.30	4.67	5.55	5.84	6.42	*6.95*
Persian Gulf	4.55	4.66	4.62	4.47	4.50	4.44	4.51	*4.56*
North America*	2.79	2.95	3.15	3.32	3.39	3.39	3.73	*4.00*
South America	1.57	1.69	1.77	1.83	1.79	1.91	2.03	*2.23*
West Africa	1.42	1.48	1.53	1.72	1.82	1.91	2.08	*2.25*
East Asia	1.19	1.37	1.55	1.58	1.63	1.76	1.96	*2.07*
Australasia	0.52	0.49	0.49	0.50	0.54	0.52	0.66	*0.72*
North Africa	0.80	0.80	0.80	0.80	0.79	0.76	0.76	*0.74*
South Asia	0.44	0.43	0.35	0.35	0.38	0.46	0.50	*0.54*
S. Europe & C. Asia**	0.32	0.28	0.27	0.24	0.21	0.21	0.22	*0.25*
Total Offshore	17.37	18.15	18.84	19.47	20.60	21.20	22.86	*24.31*
World Onshore	49.99	48.66	48.25	47.95	47.93	48.76	49.63	*50.06*
Total World	67.36	66.81	67.09	67.42	68.53	69.96	72.49	*74.37*
Offshore share	*25.8%*	*27.2%*	*28.1%*	*28.9%*	*30.1%*	*30.3%*	*31.5%*	*32.7%*

* including Mexico
** Mediterranean Sea, Black Sea and Caspian Sea

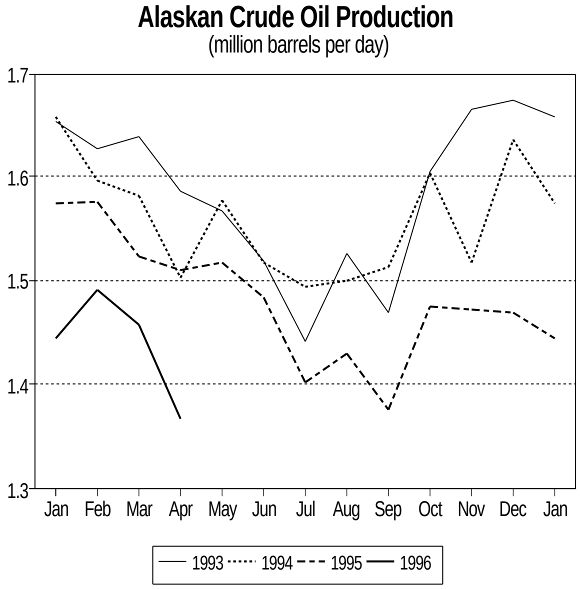
OECD

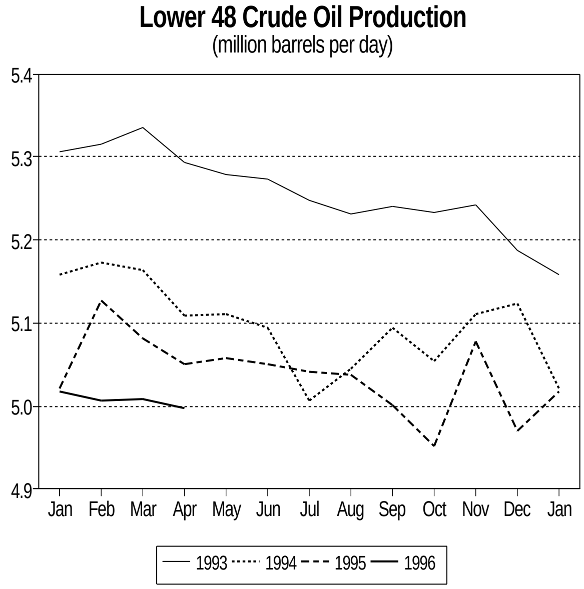
North America

Preliminary data indicate that **US** oil production declined by about 65 kb/d to 8.43 mb/d in April, primarily because of lower Alaskan production due to a pipeline leak. Alaskan production was 90 kb/d lower than in March, while Lower 48 crude oil output fell by 10-15 kb/d. NGL and “other supply” are thought to have increased, by 30 kb/d and 10 kb/d respectively.

A pressure drop indicating a leak from facilities along the TransAlaskan Pipeline required a substantial reduction in throughputs during the third week of the month. Pipeline throughput, and consequently production since there is limited storage facility on the North Slope, was reduced by 150 kb/d on 20 April and a further 450 kb/d on the following day. The source of the leak, from a small peripheral line, was apparently discovered and repaired the next day and throughput and production were restored by the end of the week. The impact on the monthly average production was 53 kb/d for the Prudhoe Bay field and 24 kb/d for the other North Slope fields, Kuparuk, Endicott, and the Lisburne Production Center fields. The Milne Point field was out of service until 28 April due to work required to tie in the Northwest Milne satellite field which began 18 March. Full throughput volumes and the Milne satellite are expected to add 120 kb/d to Alaskan crude production in May, with about half the increase coming from the latter.

Even adjusting for the Alaskan decline, aggregate weekly US data indicate a small drop in Lower 48 production as well, despite anecdotal evidence of higher California production from both the Federal offshore and the heavy oil fields onshore. The California increases are thought to be partly a result of the lifting of the Alaskan export ban and partly a result of new tax relief for heavy oil production. As commented in the *7 February Report*, improved recovery due to horizontal drilling techniques, currently being used in the Elk Hills field and likely to be employed elsewhere in the San Joaqin Valley, is also believed to be playing a role in the improved outlook for California production.





The impact of cold weather on February production in Canada apparently was less than initially thought according to preliminary data from *Statistics Canada*. Total oil production is now thought to have averaged 2.39 mb/d, only 18 kb/d below January levels and slightly higher than February 1995. Production had been expected to drop sharply due to the very cold weather, but crude oil production increased by 23 kb/d, offsetting an equivalent decrease in NGL output, almost entirely in ethane production. It is now assumed that the lower observed level of exports to the US Midwest was more a result of higher domestic refinery runs than of lower oil production. Similarly, lost production due to a fire at the Suncor plant was only about half as large as previously thought, causing a decline in output of 18 kb/d.

The estimate for March has been raised by 33 kb/d to 2.44 mb/d, with half of the increase due to higher reported output of synthetics and about one-quarter each due to increased estimates for NGL and crude oil production to reflect a recovery in ethane production, and higher than expected crude production in British Colombia and Saskatchewan in February. Synthetics output reached 297 kb/d in March, the second highest level in the last nine months. April production is expected to have declined seasonally by about 20 kb/d for crude oil and 5 kb/d for NGLS as the spring thaw typically hampers road transport from the smaller fields and demand for LPG for heating diminishes.

North Sea

Annual summaries of North Sea prospects for the UK and Norwegian sectors were released by the respective governments in April. The UK Department of Trade and Industry's (Dti) "Brown Book" and Norway's Ministry of Industry and Energy's *Norwegian Petroleum Activity Fact Sheet 1996* contain updated information on reserves in existing fields and initial assessments of the potential of future field developments. The general tone of both books is optimistic, with a number of upgrades in reserve estimates for fields currently in production and an extensive list of new fields expected to come onstream in the next few years. The net result of these updates was not only an upward revision to forecasts for future production for both sectors, but also a strong indication of increased upside potential. The table below summarises the revisions in estimates of ultimately recoverable reserves for the major systems/areas in the UK and Norwegian sectors.

Upgrades to reserves assumed to be originally present in previously-appraised fields added over 1.3 billion barrels to Norway's reserve base and 185 mb to the UK's. Initial appraisals of 16 new oil and two condensate fields in the UK sector added another 320 mb and six oil or gas/condensate projects in Norway contributed a net 245 mb of crude oil, condensates and NGLS. Also symptomatic of the robust environment in the North Sea are the 27 projects currently being discussed with the UK government and the 15 project discussions underway in Norway. The UK Dti stated in its report that it expected that another 25-30 projects to be introduced this year, mostly oil and condensate fields. Several additional projects are also likely to be filed with the Norwegian government this year.

Changes in Estimated Ultimately Recoverable Reserves*
(1996 estimates versus 1995 estimates)

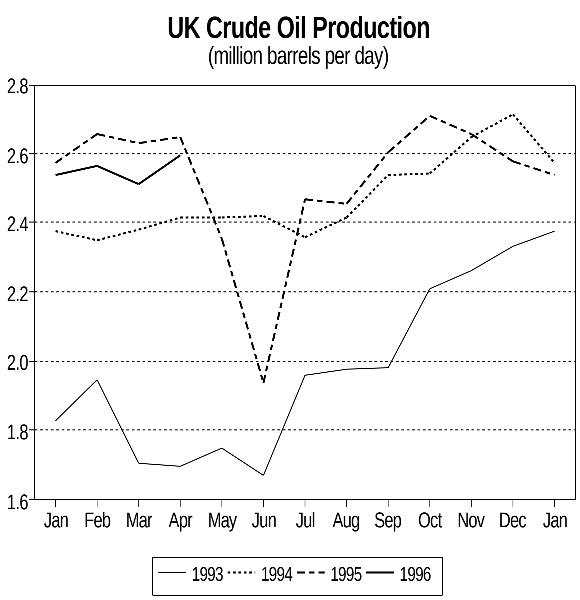
	UNITED KINGDOM				NORWAY		
	Upgrades of Existing Fields	Initial Appraisals	Total		Upgrades of Existing Fields	Initial Appraisals	Total
System/Area				*System/Area*			
Brent	+100	+5	+105	Ekofisk	+555	–	+555
Forties	+25	+65	+90	Sleipner Frigg	+85	+265	+350
Ninian	+10	+15	+25	Oseberg-Troll	+180	+165	+345
Other Systems**	+15	+115	+130	Haltenbanken	+205	-15	+190
Offshore Loaded	+35	+120	+155	Statfjord Gullfaks	+345	-170	+175
Total	**+185**	**+320**	**+505**	**Total**	**+1370**	**+245**	**+1615**

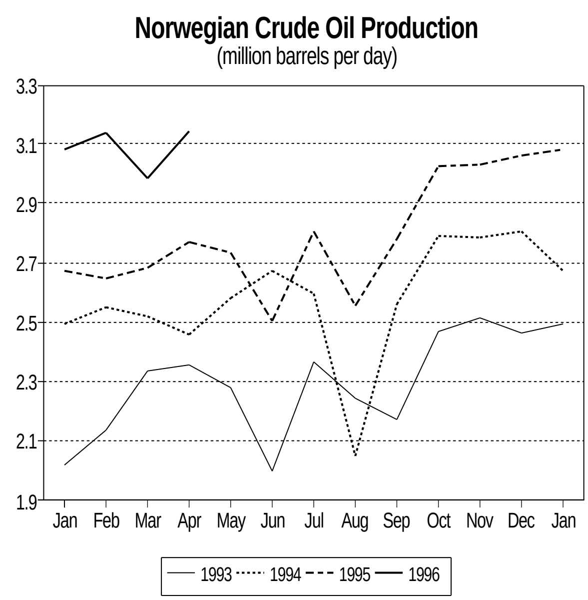
* crude oil and NGLS in millions of oil-equivalent barrels
** Flotta, Fulmar, Beryl, M-Block and J-Block; there were no change to Liverpool Bay or West of Shetlands fields reserves.
Sources: UK Department of Trade & Industry, *The Energy Report, 1996 Volume 2* ("the Brown Book").
The Norwegian Ministry of Industry & Energy, *Norwegian Petroleum Activity Fact Sheet 96.*

North Sea production is estimated to have rebounded to 6.32 mb/d in April, following a drop to 6.09 mb/d in March as a result of scheduled maintenance at the Statfjord complex and unanticipated technical difficulties with some fields in the UK Forties system and the two new Liverpool Bay fields. April production also reflected the beginning of a work programme of six to nine months on the Brent Charlie platform and slower than expected production escalation at the new UK Harding field.

March crude oil output of 2.43 mb/d from the **UK** sector of the North Sea was substantially below expectations due to problems at the Nelson field, where the shutdown of a gas compressor because of a leak led to a decline of slightly over 10 kb/d, and a shortfall from expected production from the Douglas and Lennox fields in Liverpool Bay, which were restricted to a combined output below 10 kb/d, apparently due to difficulties in commissioning equipment on the Douglas platform. Ongoing problems with the well performance lowered the Ninian system Magnus field by 10 kb/d but that was more offset by an unexpected 18 kb/d increase in Dunbar field output to a record 54 kb/d. Maintenance work on the storage vessel at the Beryl field reduced output there by about 20 kb/d and the UK share of the Statfjord field was down about 10 kb/d because of scheduled maintenance to the Statfjord A platform.

April UK production is estimated to have increased to just under 2.5 mb/d, despite the beginning of work on the Brent Charlie platform to accommodate more gas production and lower reservoir pressures expected in the future. In April, Brent field and Brent system production are thought to have declined by about 40 kb/d and 35 kb/d respectively, but increases of 15-20 kb/d from the Forties, Flotta and Beryl systems and a 35 kb/d rise in Liverpool Bay production is believed to have more than offset the Brent decline. The increase was less than expected, however, because of the later than expected start-up of the Harding field on 23 April and the minimal level of output, only 1 kb/d, during the last week of the month. Production is now not expected to increase appreciably until the second half of May because of unexpected difficulties with the drilling and completion programme for the initial wells.





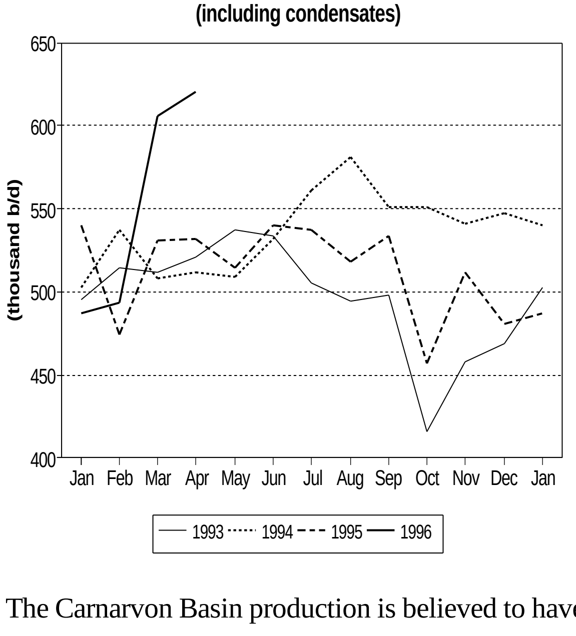
Crude oil production in the **Norwegian** sector decreased by less than expected in March, averaging 2.99 mb/d, mostly because of reductions in reported February production due to differences between the point of measurement used by companies and that used by the Norwegian Petroleum Directorate (NPD). Some of the oil in transit from the new Heidrun and Yme fields had not reached the NPD “fiscal metering point” at the Monstad terminal by the end of February, leading to a 20 kb/d discrepancy for Heidrun between company platform-based production numbers and the official government data used in this Report. Similarly, reported Yme field output was only 1 kb/d in February and output from several other fields was 5-10 kb/d below initial assessments, resulting in a 75 kb/d downward revision in February production of crude oil and NGLS to 3.29 mb/d. March oil output averaged 3.14 mb/d, including just under 150 kb/d of NGLS and light condensates counted as NGLS, a decline of 150 kb/d from the adjusted February level. Statfjord maintenance and a strike by some of the workers on the Yme platform were responsible for the bulk of the decline. With the maintenance completed at Statfjord and the end of the strike at Yme, April oil production is estimated to have reached 3.30 mb/d, slightly above February’s record level. If history is a guide, threats of a more general strike of offshore oil workers are not expected to result in a significant stoppage of work and hence are not likely to have much impact on the May production average which is projected to stay near April’s level.

Crude oil production from the **Danish** sector of the North Sea exceeded 200 kb/d for the first time in March according to data from the Danish Energy Agency. An additional increase in Gorm field production to a new high of 50 kb/d and near full capacity for the new Roar field that started up in May accounted for the gain, as four of the other fields (Tyra, Valdemar, Skjold and Rolf) were down marginally and Dan, Dagmar, Regnar and Kraka were essentially unchanged. The Svend field that had been expected to start up in April is reported to have been delayed until the end of May by drilling problems, but is still almost six months ahead of its original schedule. **Dutch** offshore production increased slightly in March to 44 kb/d due to higher output from the Q1, F3-FB and P18 fields.

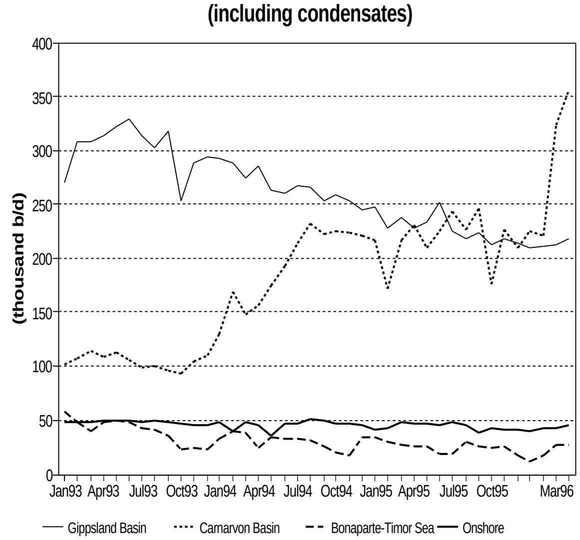
Pacific

Australian oil production rose in February by 13 kb/d to 550 kb/d, with 7 kb/d coming from higher NGL production in the Cooper and Gippsland Basins and 6 kb/d coming from increased crude oil production in the Bonaparte and Cooper Basins. Carnarvon Basin output was about 3 kb/d lower as reduced output from the Northwest Shelf Development Project's (NWSDP) Goodwyn and North Rankin condensate fields and Thevenard Islands crude oil fields more than offset the impact of the return of the *Cossack Pioneer* to the Wanaea and Cossack fields. Repairs to damaged flow lines at the Jabiru field that had kept the field shut down during December and January accounted for most of the Bonaparte Basin increase, but Challis Cassini field production was also up slightly to just under 10 kb/d. As shown on the graph on the left below, Australian oil production is dominated by offshore production from the Gippsland, Carnarvon and Bonaparte Basins. The opposing direction of the production trend for Gippsland and Carnarvon is also noteworthy, with the Carnarvon area having equalled the traditionally dominant Gippsland Bass Straits fields by February and by March having substantially surpassed it.

Australian Crude Oil Production 1993-1996
(including condensates)



Australian Crude Oil Production 1993-1996
(including condensates)



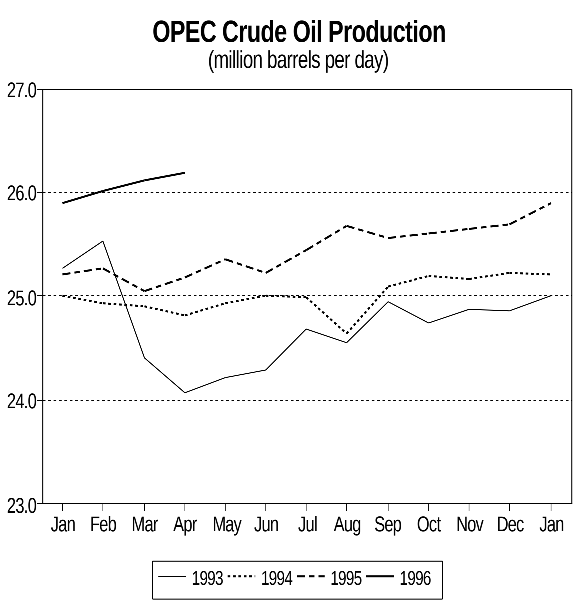
The Carnarvon Basin production is believed to have significantly surpassed the Gippsland Basin in March with the full return of Griffen production to near 85 kb/d and Wanaea-Cossack up to more than 75% of its 110 kb/d capacity. With relatively stable production from Gippsland and a full month of Jabiru production, total Australian oil output for March is estimated to have reached a record 665 kb/d. Expected continued production increases in April were moderated by the effects of Cyclone Olivia which caused the shutdown of the Griffen and Wanaea-Cossack fields for 6 days between 11-17 April. However, it is thought that Wanaea-Cossack still managed to equal March levels and it is expected to move to full capacity of 110 kb/d for May. Production from the Griffen field is estimated to have declined by 15 kb/d from March due to the storm. Monthly increases of 5-10 kb/d in production from the NWSDP, the Wandoo A field and the Gippsland Basin are estimated to have raised April oil production to over 680 kb/d.

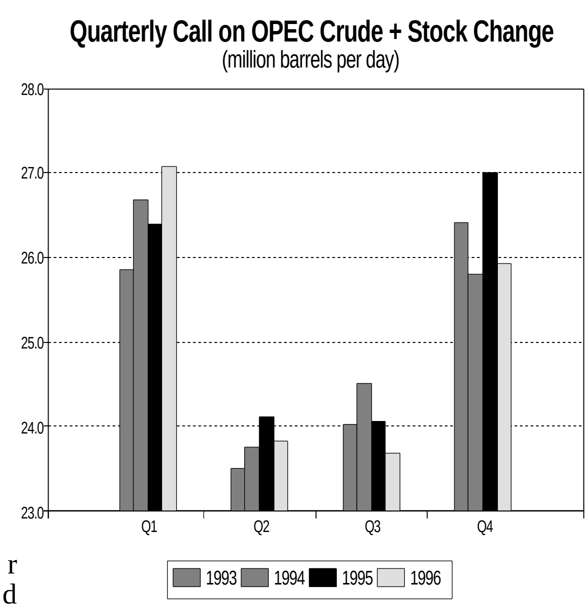
Gippsland production is being helped by the 1995 vintage West Tuna and Bream B fields and drilling programmes at the older Fortesque, Kingfish and Perch fields and a new Gudgeon well, but the direction of the production trends clearly is downward for the area as a whole. An offshore area that is expected to become a potential source of overall production increases for Australia later in the decade is the new area of the Timor Sea between northern Australia and Indonesia. A series of successful wells in the Undan-Bayu, Laminaria-Corallina and Lambert areas is expected to sustain a high level of development effort over the next two to three years. Undan-Bayu is thought to contain about 500 mb of reserves, about 25% condensate, and the Laminaria is seen containing more than 200 mb of light (55° API) oil while Corallina has another 38-50 mb. A recent Laminaria well produced over 11,000 b/d. A second well at the Lambert prospect recorded flow rates of 6,300 b/d from a new zone that possibly represents an separate large field.

OPEC

OPEC crude oil production remained at 26.1 mb/d in March, as strong markets continued to absorb the relatively high levels of output. The expected declines in the call on OPEC oil plus stock change during the remainder of the year combined with the possibility Iraqi “oil-for-food” exports appear to be a powerful incentive for many of the OPEC countries to maximise current production.

Increases from four countries more than offset declines from three other OPEC producers, leading to a net gain of about 30 kb/d in April. A similar gain is estimated to have occurred in NGL output. A gain of 50 kb/d in **Iranian** crude oil production is indicated by tanker tracking data, despite relatively high levels of Russian Urals availability in the Mediterranean markets. Although the trade data are corrected for seasonal demand effects, it is not clear that internal demand reductions due to increasing domestic prices are fully reflected in the supply estimates, especially for Iran and to a lesser extent Saudi Arabia. For **Saudi Arabia** there is the additional possibility of movements of domestic inventories to overseas locations such as Greece where Saudi Arabia has new downstream operations. Consequently, the estimate of Saudi production is being maintained at 7.98 mb/d, excluding the Neutral Zone but including about 140 kb/d of production from its Abu Safa field that is being used to fund aid to Bahrain. Among the other Persian Gulf OPEC countries, the only noticeable changes indicated by tanker data were a 35 kb/d decline in **Kuwaiti** production, possibly due to refinery maintenance, and a 5 kb/d gain in **Qatar’s** production.





P r
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uction from the non-Gulf OPEC states is assessed at 5 kb/d higher than in March. A 15 kb/d increase in **Algerian** production, reflecting a recovery from the continued port difficulties in March, offset a 15 kb/d decline in **Libyan** production, probably reflecting problems with obtaining equipment for field maintenance and workovers. A gain of 10 kb/d in **Nigerian** crude oil output more than compensated for a 5 kb/d decline in **Indonesian** production.

OPEC Reserves, Quotas, Capacity and Production

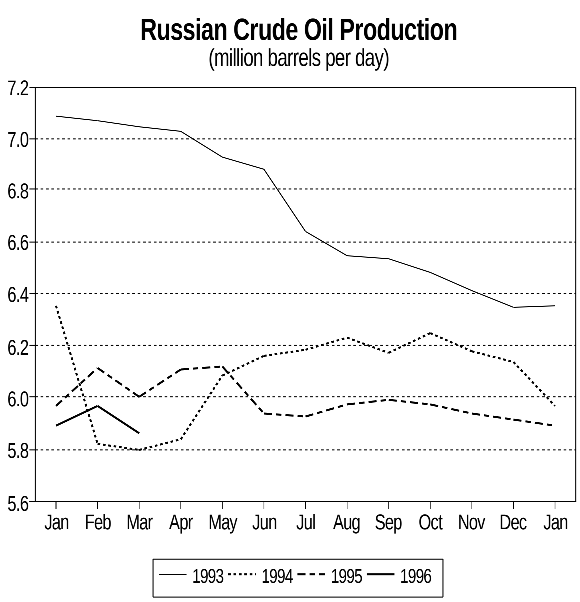
	Reserves (billion bbls)	Quotas (kb/d)	Capacity (kb/d)	Year to Date Average Production (kb/d)
OPEC				
Saudi Arabia	261.4	7,800	10,200	7,960
Iran	94.3	3,600	3,750	3,669
Iraq	100.0	400	2,000	550
UAE	98.1	2,161	2,750	2,169
Kuwait	96.5	1,800	2,500	1,829
Neutral Zone	4.1	400	500	465
Qatar	3.8	378	510	471
Nigeria	21.0	1,865	2,200	2,099
Libya	22.8	1,390	1,500	1,383
Algeria	10.0	750	810	788
Gabon	2.3	287	370	360
Venezuela	64.9	2,359	3,200	2,897
Indonesia	5.1	1,330	1,400	1,381
Total	684.3	24,520	31,690	26,021

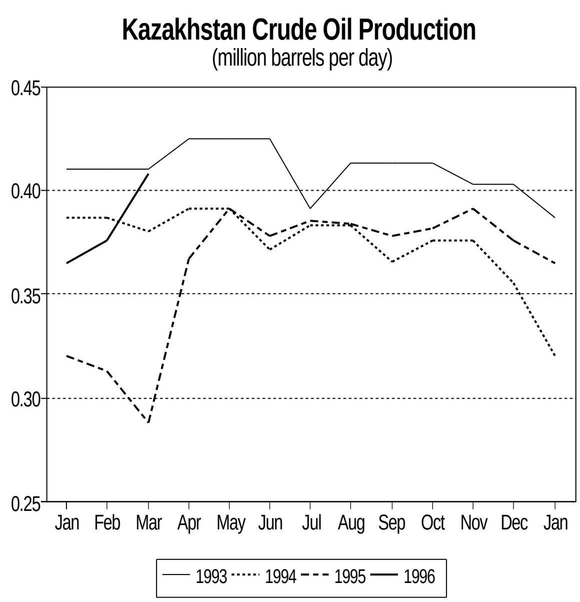
Sources: Annual OPEC Statistical Bulletin for reserves; OPEC Bulletin for quotas; IEA estimates for capacity and productions based on various sources.

Former Soviet Union (FSU)

Production

According to data reported by Interfax, March crude oil production was sharply lower in **Russia**, primarily due to reduced output from Lukoil. About 75% of the monthly decline of 106 kb/d occurred in Lukoil's production associations, particularly Kogalym and Perm. YUKOS, Sidanco and Bashneft also recorded small declines, while modest increases were registered by Surgut, Slavneft and Rosneft. Preliminary data indicate joint-venture output was down significantly for the month, more than offsetting an increase in Gasprom crude oil production. Russian NGL production is seen declining seasonally by about 20 kb/d. Other sources report a much smaller decline in March, indicating considerable upside sensitivity for the March production estimates. In any case, higher levels of production are thought to have occurred in April with a storm-free month allowing a significant rise in Black Sea exports and domestic demand buoyed by tractor fuel demand in advance of the spring planting season.





Kazakhstan's crude oil production rose by another 20 kb/d in March following a 10 kb/d increase in February. Most of the gain resulted from increases in production from the Tengizchevroil joint-venture, which averaged 89 kb/d for the month versus 68 kb/d in February. Improved pipeline access, possibly as a result of the presence of a new Russian partner now appears to have brought output up to current production capacity, but the capacity expansion programme mentioned in last month's Report is expected to provide an additional 30 kb/d by year-end. March production was also higher for the Uzen area, but production of Karachaganak condensates declined by 8 kb/d, versus an expected gain of about 12 kb/d, and production from YUTEK and the Arman joint-venture fell unexpectedly by 2 kb/d and 6 kb/d respectively. Crude oil output from **Azerbaijan** remained at 181 kb/d in March with no changes in offshore or onshore averages, which were at 151 kb/d and 30 kb/d respectively.

Exports

In April, exports of both crude and products increased strongly and total exports are estimated to have been above 2.5 mb/d for the first time since last summer. Seaborne crude shipments are estimated to have been particularly high at 1.85 mb/d, with fewer weather-related closures at main ports. On the other hand, crude exports by pipeline remained at low levels due to continuing low demand from central and eastern Europe, partly as a result of deliveries from the competing pipelines, IKL and Adria. Gasoil exports were pulled up by the strong demand from Northeast Europe to reach 400 kb/d in March and continued at around that level in April. Fuel oil exports began to rise, supported by strong demand from Northwest Europe.

The reduction in the crude export tariff in the Russian Federation, which was originally planned to take place in 1 April, has now been officially authorised and has retroactively taken effect on the scheduled date. At the same time, oil excise duties and pipeline tariffs have been raised.

1994-1996 Net FSU Exports
(million barrels per day)

	1994	1995 r	1996 f	2Q95	3Q95	4Q95 r	1Q96 r	Jan r	Feb r	Mar r	Apr p
Black Sea Exports*	1.04	0.98	†	1.21	1.09	0.83	0.89	0.90	0.86	0.89	1.16
Baltic Exports	0.56	0.61	†	0.70	0.76	0.60	0.57	0.50	0.60	0.62	0.70
Total Seaborne	**1.60**	**1.59**	†	**1.92**	**1.84**	**1.44**	**1.46**	**1.40**	**1.46**	**1.51**	**1.85**
Druzhba Pipeline**	0.81	0.83	†	0.78	0.80	0.89	0.75	0.77	0.82	0.66	0.72
Total Exports	**2.41**	**2.42**	†	**2.69**	**2.64**	**2.33**	**2.21**	**2.18**	**2.29**	**2.17**	**2.57**
Imports	0.03	0.04	†	0.04	0.04	0.04	0.05	0.04	0.04	0.05	0.05
Net FSU Exports	**2.39**	**2.39**	**2.52**	**2.65**	**2.60**	**2.28**	**2.16**	**2.13**	**2.24**	**2.12**	**2.52**
NB: Crude Oil	1.91	1.91	†	1.96	1.97	1.92	1.75	1.74	1.85	1.65	1.99
Oil Products	0.47	0.47	†	0.67	0.64	0.36	0.42	0.39	0.39	0.47	0.53

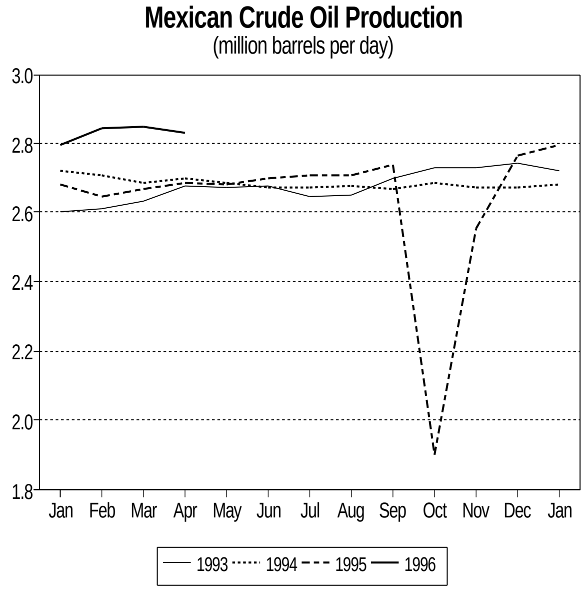
* Includes a small amount of non-Russian crude oil exports
† Data not available
f Forecast
** Crude oil only
p Preliminary
r Revised

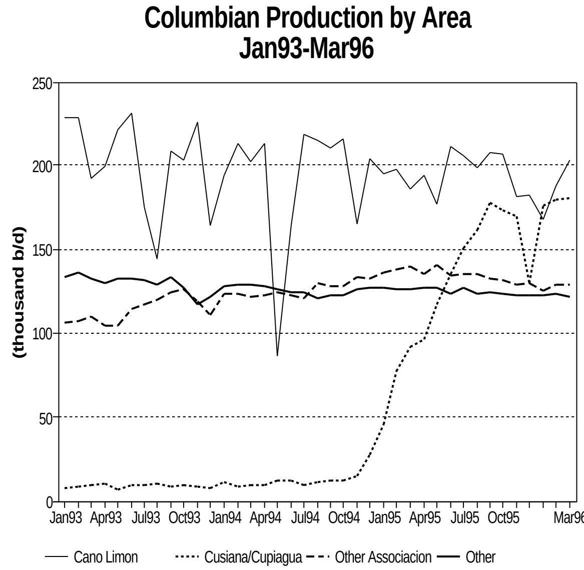
Other Non-OPEC

Latin America

Mexican crude oil production increased by an unexpectedly large 48 kb/d in February according to data from PEMEX, about 25 kb/d more than anticipated. Contrary to the situation in January, most of the gain came from heavier Mayan grade crude oil fields, but again was primarily from the offshore Campeche region. NGL production also rose (by 15 kb/d), with about half of the increase in ethane production and half in heavier NGL fractions. The increased Maya production was evidently used predominantly in domestic refineries, as exports of Maya dropped by 62 kb/d, offsetting much of the 79 kb/d rise in Isthmus exports. Exports of Olmeca crude also declined, by 10 kb/d, so that total crude exports increased by only 7 kb/d. The higher Isthmus exports appear to have been targeted at Asian markets, which took an additional 70 kb/d versus January, rising to a new high of 126 kb/d. Exports to the US and Europe were down 51 kb/d and 11 kb/d respectively.

March production is believed to have increased modestly, but storms in April may have hampered loadings and reduced production from fields feeding the ports. The April weather impact is preliminarily estimated at 25 kb/d.





Colombian state oil company Ecopetrol reports March national output of crude oil at 637 kb/d, a rise of 17 kb/d from February. There was a recovery in Cano Limon production to over 200 kb/d for the first time in six months. March Cusiana-Cupiagua production held at February's 180 kb/d level, about 15 kb/d below current capacity, which will expand as additional Cupiagua wells are commissioned. Both Cano Limon and Cusiana production are now thought to have been higher in February than originally expected, despite several bombings during the month.

After the respite in March, the bombings resumed in April with two attacks during the week of 8 April, one on the pipeline from Cano Limon (which is also used to transport Cusiana crude) and one on the *Columbia* Pipeline serving fields in the central and eastern plains. Both pipelines terminate at the Caribbean port of Covenas. The Cano Limon pipeline has been bombed 15 times already this year and the *Columbia* line has suffered eight attacks. As shown in the graph above, Cusiana production has achieved an impressive rise over the last year and a half despite the bombings. The older Cano Limon field has experienced a very erratic production pattern around a slowly declining trend line. Production by other foreign companies (i.e. not involved with Cano Limon or Cusiana) with Association contracts has been relatively more stable, while Ecopetrol's own production and production from fields under the old Concession agreements have trended downward. A number of the older concession agreement fields have been reclaimed by the state company.

Brazil's crude oil production fell to 777 kb/d in March because of lower offshore production resulting from bad weather off the Brazilian Coast. April output is thought to have recovered to near the 820 kb/d record levels achieved in February and additional gains are expected over the remainder of the year from both new offshore and new onshore fields. Recently released data from state oil company Petrobras show a 16% increase in oil reserves in 1995 to 4.8 billion barrels, primarily due to upward revisions in the Campos Basin, which accounts for 83% of Brazil's total reserves. There were also increases in onshore reserves based on eight new fields found in 1995 in the northern onshore provinces. About 70% of the offshore reserves are in deep water where Brazil is pioneering new technologies in conjunction with the use of Floating Production Storage and Offloading vessels (FPSOs). Contracts for conversion of two Petrobras tankers into FPSOs were recently awarded, with delivery scheduled for just over two years from now. One of the FPSOs will have a capacity of 50 kb/d and the other 100 kb/d and four or five additional tankers are expected to be converted over the next few years for use on the Marlim and Albacora fields. The tankers are currently in long-haul service to meet Brazil's large demand for imported oil, a demand that is expected to slacken as domestic production grows more rapidly than domestic demand.

Production from **Peru** is reported to have held relatively steady at just under 120 kb/d versus 125 kb/d in 1Q95. Offshore production, currently averaging 15-20 kb/d, is the only oil being extracted from South America's Pacific waters, although exploration continues off Ecuador. Surprisingly, South America's third largest offshore producer after Venezuela and Brazil is **Trinidad & Tobago**, with crude output of about 120 kb/d. Trinidad's production has been declining for the last several years, but recent finds such as the East Mayaro field could reverse the decline. Large natural gas deposits appear to justify a major LNG project, hence improving the development economics of joint oil-gas and gas-condensate fields. **Chilean** and **Argentine** offshore production from the Straits of Magellan and from Argentina's southern Chubut and Santa Cruz Provinces offshore areas account for less than 25 kb/d combined and are not expected to grow appreciably.

Africa and Other Middle East

Egyptian crude oil production declined in March to 868 kb/d from 879 kb/d in February according to data from the national oil company. Output of NGLS and light condensates held relatively steady at just under 65 kb/d. About 70% of Egypt's production is offshore, but that percentage is likely to decrease due to the maturity of the Gulf of Suez fields and the increases in the relatively recent finds in the Western Desert. In the last month, there have been additional exploration successes in both the offshore and onshore areas. The East Tanka Block in the northern end of the Gulf of Suez had a second very successful well flowing nearly 5,000 b/d, following a 2,700 b/d discovery well in February. Due to the proximity of existing infrastructure the first well is already in production and the latest find is likely to be onstream within the next few months. Onshore, another Qarun concession discovery was made with indications of increasing thickness of the pay zone.

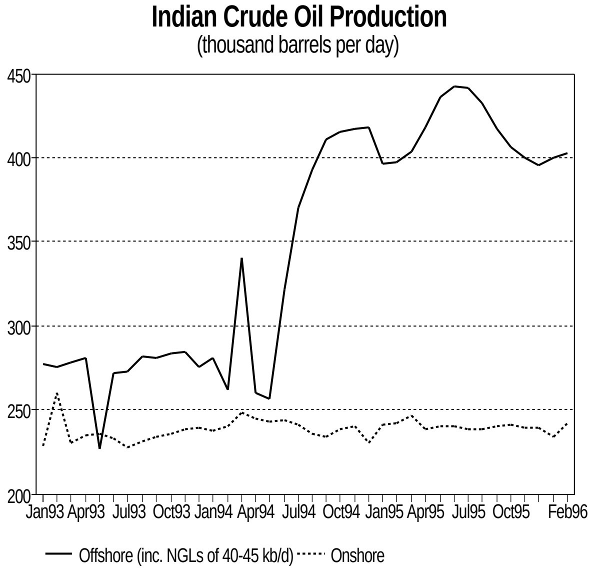
African exploration successes have not been limited to Egypt, as enthusiasm continues to grow over deep water prospects off West Africa. Additional analysis of logs from **Angola's** prolific Girassol discovery show a number of fascinating similarities with finds in the Campos Basin area off Brazil just across the Atlantic. By the turn of the century, the Campos Basin is expected to be producing nearly 1.2 mb/d, whereas the Angola's offshore is projected at just under 900 kb/d, with most of that from existing areas closer to shore. If the deepwater geology proves to be a mirror of the Campos Basin, production early next century could be as much as double the expected 2000 levels.

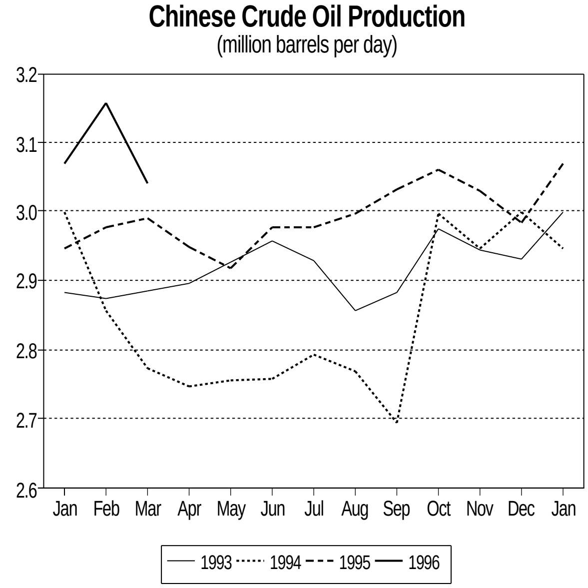
The **Congo's** N'Kossa project should come onstream with limited volumes within the next month or so. Arrival of what is being proclaimed as the world's largest offshore structure is scheduled for mid-May with hook-up and initial testing through mid-June. Additional drilling and commissioning of platform facilities are expected to keep volumes at around 10 kb/d during the summer, with commercial volumes rising rapidly toward the end of 3Q96 and in 4Q96, reaching initial capacity of around 80 kb/d by year-end. The platform is then expected to serve as a focal point for development of other prospects such as the Moho Marine field on the Haute Mer Block and a service centre for exploration efforts in offshore **Gabon** and **Nigeria** and possibly elsewhere. In particular, the offshore potential for **Equatorial Guinea** is being bolstered by additional finds around the Zafiro prospect. Further west, development of the **Ivory Coast's** Simba and Cheetah prospects, which both appear to be bigger than the 19 kb/d Lion field, could lead to a doubling of offshore production. Four other West African countries produce from offshore areas, **Cameroon**, **Zaire**, **Ghana** and **Benin**, the latter two producing minimal amounts from single oil fields. Cameroon's offshore production has been around 100 kb/d but appears to be in decline, while Zaire's output has remained in the 20-25 kb/d range and could benefit from the developments in neighbouring waters.

Asia

February production data for **India** indicate a small increase following the levelling off in January of the six-month production decline. Both onshore and offshore production increased slightly, but total crude oil output remains nearly 40 kb/d below last June's peak.

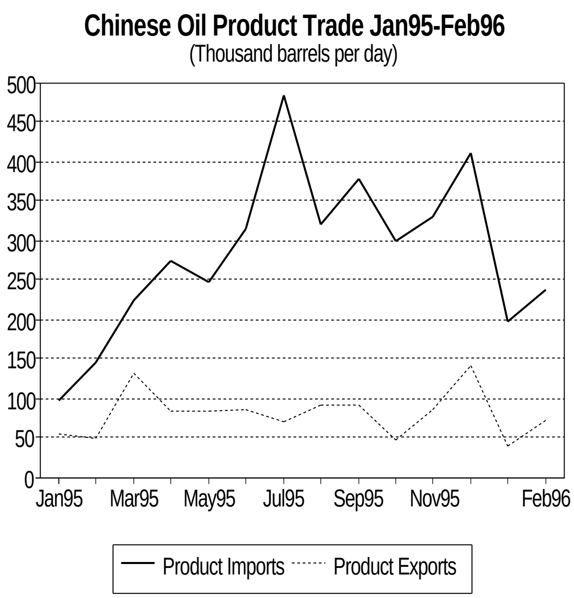
In addition to India, there are five other non-OPEC, non-OECD Asian countries with offshore production, with by far the largest being **Malaysia**, which produces over 600 kb/d from areas off the Malaysian peninsula and the west and north coasts of the island of Borneo. Production is constrained by a "National Depletion Policy" based on reserves. However, recent additions to the reserve base from finds on the Malaysian/Thailand boundary line are now expected to allow increases at least in 1996 and 1997 production levels. Brunei and Vietnam each produce between 150-200 kb/d. Like Malaysia, **Brunei** constrains its output and is expected to continue to do so. Conversely, **Vietnam** would like to expand its oil production which is all offshore, but recent poor performance of the Dai Hung field and unsettled negotiations between the operator and the government have dampened optimism about the area. Smaller amounts of offshore oil are produced by **Thailand** and the **Philippines**, both of which are considered to have upside potential.

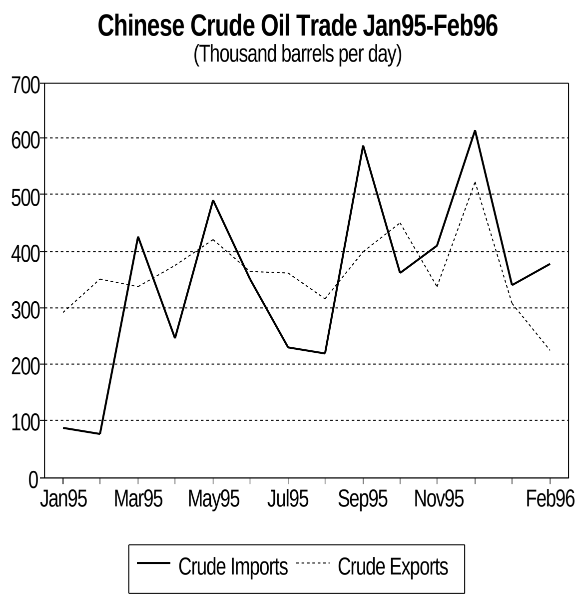




Chinese offshore oil output was diminished in March by early maintenance at the Xijiang fields and possibly additional weather-related reductions in offshore loadings and production. Offshore output fell by 112 kb/d to 205 kb/d according to data from the Chinese National Offshore Oil Company. Onshore production was relatively stable in March except for an unexpected small decline in the Huabe area. Expected increases for the Liaohe fields did not occur.

A rebound in April due to the return of the Xijiang fields and the start-up of the Luihua field (also in the Pearl River Mouth area of the South China Sea) are believed to have returned offshore production to above the 300 kb/d level achieved in February, despite reportedly continued stormy weather.





Chinese imports remained relatively high in the first two months of 1996, in contrast to the situation last year when, following a surge in imports in December 1994, Chinese imports during the January/February 1995 period were at the lowest level recorded in 1995. This year, despite a similar but smaller surge in imports December 1995, China remained a net importer in January (190 kb/d) and February (320 kb/d). Compared with the depressed volume in the first two months of 1995, product imports were 80% higher this year, with fuel oil imports more than three times higher at 90 kb/d and diesel oil imports 24% higher. Crude oil imports were more than four times higher at 360 kb/d. Imports from Yemen, Oman and Indonesia accounted for 34%, 23% and 23% of the crude oil imports respectively in the January/February period.

OECD Oil Trade in 1995

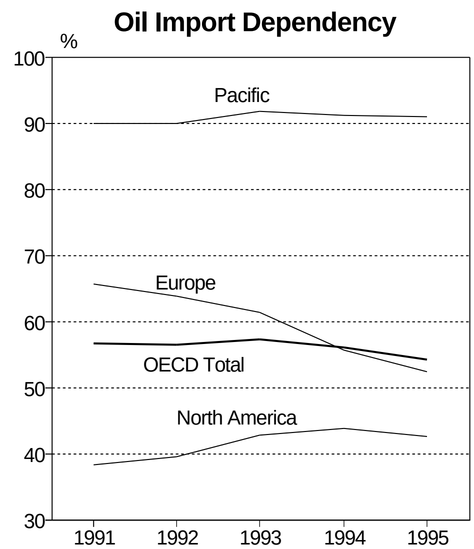
Oil trade in 1995 was in line with the trend of the last few years. Europe increased indigenous crude production and import dependency was reduced to 54.2%. Incremental crude demand in North America was largely met by imports from Latin America, while the OECD Pacific region increased dependency on Middle East crude.

Oil Import Dependency

Primarily as a result of the increase in North Sea oil production, total OECD oil import dependency (defined as net imports as a percentage of total oil demand) has decreased since 1993 and is expected to continue to decline this year (see Graph). On a regional basis, European import dependency has declined significantly since 1991 but imports have continued to grow in North America and the Pacific. Net imports accounted for 54.2% of the total demand in OECD countries in 1995, down from 56.7% in 1991. In North America and in the OECD Pacific net imports rose from 38.2% to 42.6% and from 90.1% to 91.0% respectively. In Europe, where indigenous production increased by 1.8 mb/d during the period, the percentage of net imports fell from 65.7% to 52.5%.

Crude Oil Trade

Trade within each of the regions has grown at a higher rate than that of inter-regional trade. Crude imports to the US from Canada increased from 770 kb/d in 1991 to 1.03 mb/d in 1995. The volume of crude oil traded within Europe, which already exceeded 2 mb/d in 1991, has been gradually increasing since then to 2.85 mb/d in 1995 due to the growing North Sea crude production. The largest increases were seen in exports from Norway to Germany and the Netherlands and from the UK to France.



Net crude imports into **North America** increased from 6.08 mb/d in 1991 to 7.44 mb/d in 1995. There has been a significant shift to shorter-haul crudes, primarily as a result of the increase in imports from UK to Canada and the US and from Latin America (Venezuela and Mexico) to the US, which more than offset the decrease in the US crude imports from the Middle East, contributing to the increase in net crude oil imports to this region. The share of total crude oil requirements supplied from the Middle East decreased from 10.6% in 1991 to 9.5% in 1995.

European net crude imports peaked in 1992 at 7.42 mb/d and then decreased to 6.17 mb/d in 1995. A decline in imports from the Middle East began in 1993 as North Sea production increased rapidly. On the other hand, imports from the FSU increased from 620 kb/d in 1991 to 1.12 mb/d in 1995 as oil demand in the FSU decreased more rapidly than supply.

Middle East Supplies to OECD Regions 1991-1995

	mb/d			% of crude requirements		
	1991	1993	1995	1991	1993	1995
North America	1.98	2.00	1.72	10.6	11.3	9.5
Europe	3.92	4.31	3.55	29.9	31.9	26.0
Pacific	3.06	3.47	3.72	61.0	66.9	69.2
Total	8.96	9.77	8.99	24.3	26.9	24.2

With only a small increase in Australian production, the incremental demand for crude oil in the **Pacific** region has been met almost entirely by imports, with net crude imports rising from 4.12 mb/d in 1991 to 4.69 mb/d in 1995. Supplies of crude from Asia (including China) for both refinery use and crude burning for power generation remained close to 1 mb/d . Middle East crude continued to be the main supply source for incremental refinery demand with imports from the Middle East increasing from 3.06 mb/d in 1991 to 3.72 mb/d in 1995. In 1995, the Middle East supplied 69.2% of the Pacific crude requirements while 14.2% came from Asia.

Oil Product Trade

North America continues to be essentially self-sufficient in total products, with net imports of gasoline and residual fuel oil largely offset by net exports of distillate and other products. Net imports of all products were only 30 kb/d, 50 kb/d lower than those in 1994. Lower gasoline import requirements in the US, reflecting the surge in additional gasoline production capacity associated with the introduction of reformulated gasoline and a reduction in stocks during the year, resulted in a decrease in European gasoline exports from 150 kb/d to 90 kb/d.

Net product imports to **Europe** declined significantly from 1992 to 1994, consistent with increasing refinery throughputs. In 1995, as a result of increased demand and marginally lower refinery production, they increased from 120 kb/d to 280 kb/d with net fuel oil imports showing the largest growth, from 60 kb/d to 150 kb/d. Net imports from the FSU remained at around 300 kb/d.

Pacific net imports remained at around 1 mb/d throughout the 1991-95 period, with the Middle East and Asia providing 80-90% of the volume. The main sources of the large volumes of product imports to the region are the Middle East (notably Saudi Arabia and the UAE) and Asia (primarily Indonesia, Singapore and South Korea). The imports from Asia have primarily been naphtha, fuel oil and LPG. Japanese imports of gasoline, kerosene and diesel have been declining due to a combination of higher refinery throughputs and additional refinery conversion capacity and totalled only 80 kb/d in 1995.

OECD STOCKS

Industry Stock Changes in March and 1Q96

There was a significant reduction in the rate at which total industry stocks decreased from 2.6 mb/d in February to 0.5 mb/d in March, reflecting an estimated 1.8 mb/d reduction in oil demand. As shown in the table below, distillate stocks continued their seasonal decline in North America and Europe but total crude stocks increased sharply, primarily in the Pacific. The average stockdraw in 1Q96 is assessed at 1.2 mb/d, 0.1 mb/d lower than in 4Q95, with crude oil stock levels essentially unchanged over the quarter.

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

	North America	Europe	Pacific	Total
Crude Oil	0.0	0.1	0.4	0.6
Gasoline	-0.3	0.0	0.0	-0.3
Distillates	-0.4	-0.3	0.0	-0.8
Fuel Oil	0.0	-0.1	0.0	-0.1
Other Oil*	0.1	0.0	0.0	0.1
Total Oil	-0.5	-0.3	0.3	-0.5

* includes other products, feedstocks, NGLs and other hydrocarbons

Preliminary Stock Levels at the End of March

With the March stockdraw being significantly less than in the previous two years, the difference between stock levels at the end of the month and the previous two years' levels decreased appreciably. Total stocks at the end of 1Q96 are preliminarily assessed to have been 116 mb lower than a year earlier and 68 mb lower than at the end of 1Q94, equivalent to four days and three-and-a-half days in terms of forward demand coverage.

As shown on Table 5, the reduction in total stocks was entirely in North America, with higher stocks than in the previous two years in both Europe and the Pacific. For the OECD as a whole, crude stocks were at levels similar to those of a year earlier while distillate stocks were 54 mb below the historically high level reached a year earlier but only 11 mb below the end of 1Q94.

Regional Stock Developments

In **North America**, crude oil stock levels were essentially unchanged in March with higher production and imports compensating for higher refinery throughputs. At the end of the month, they were 40 mb or 10% lower than at the end of March in both 1994 and 1995. Gasoline stock levels declined, reflecting higher demand and lower production. At the end of the month, US gasoline stocks were 7 mb or 3% lower than a year earlier. The rate of decline of distillate stocks slowed, consistent with seasonally lower demand. Stocks at the end of the month were 39 mb lower than the high level a year earlier but only 10 mb lower than at the end of 1Q95. Residual fuel oil stocks were essentially unchanged, with lower demand partially offset by lower production. Stocks continued to be well below the previous year's levels (see Table 5).

US DOE weekly statistics indicate that crude oil, gasoline, distillate and fuel oil stock levels were essentially unchanged during the first 26 days of April, with total stocks estimated to have increased by 0.6 mb/d, mainly due to increases in other products and feedstocks. Gasoline stocks were only 1.9% below year earlier levels.

Higher crude oil prices in 1Q96 helped to reduce appreciably the amount of crude the US Department of Energy needed to sell in order to raise the $100 million designated to decommission the Strategic Petroleum Reserve site at Weeks Island, Louisiana. Whereas initial estimations foresaw the sale of some 7 mb of crude, the $100 million target was achieved by selling only 5.1 mb of crude, due to the recent surge in crude prices.

Under the recently agreed fiscal year 1996 spending bill the US Department of Energy is required to sell a further $227 million worth of crude out of the Strategic Petroleum Reserve (SPR) by 30 September 1996. Assuming an average crude price of $19.00/bbl this amounts to a volume of 12 mb to be sold as from 13 May. The crude is expected to be sold out of the Weeks Island, Louisiana SPR storage site, which contains a medium sour grade. Deliveries out of this site can reportedly be made at rates of up to 350 kb/d, following the decommissioning of some of the pumps in preparation for the shutdown of the facility.

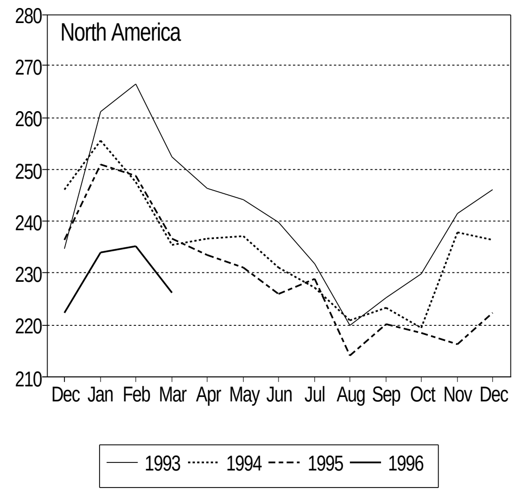
In **Europe**, crude oil stock levels continued to build in March, consistent with lower refinery throughputs.

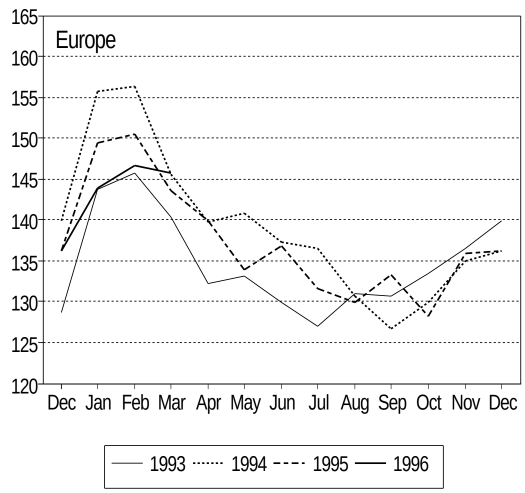
At the end of the quarter crude stocks were 22 mb higher than the low level reached a year earlier but this increase was largely in Norway and Turkey. Gasoline stock levels were essentially unchanged and ended the month close to the levels at the end of March in 1994 and 1995. Middle distillate stock levels continued to decline seasonally although at a slower rate than in February, with the effect of weaker demand more than offsetting the reduction in refinery production. At the end of the month, distillate stocks were 5% lower than the high level reached a year earlier but above the end 1Q93 level. Compared with a year earlier, the main decrease was in the Netherlands where stocks were drawn strongly during March. Fuel oil stocks continued the decline that began in September 1995 and ended the month 3% lower than a year earlier with the largest reductions occurring in Italy and Ireland.

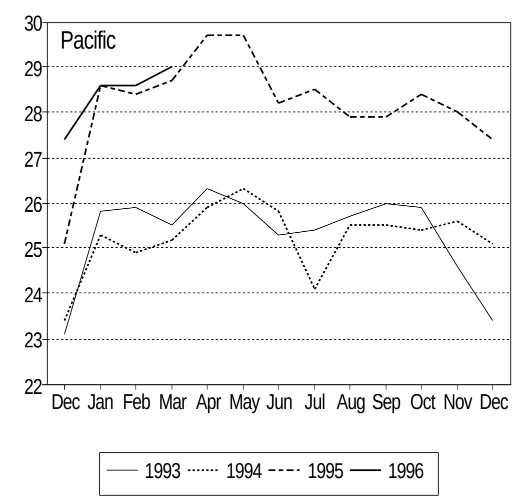
In the **Pacific** region, following the decrease in February, crude oil stock levels increased strongly in March, consistent with increased imports and lower refinery runs. Crude stocks ended the month 11% higher than a year earlier. Gasoline stock levels were little changed and were at levels similar to those at the end of 1Q95. Distillate stocks continued to fall seasonally but at a much slower rate due to lower demand and higher production. As a result of the historically low stockdraw, distillate stocks ended the month above previous year levels for the first time since July 1995. Fuel oil stocks decreased and continued to be lower than a year earlier.

OECD Industry End Month Stocks
(Million barrels)

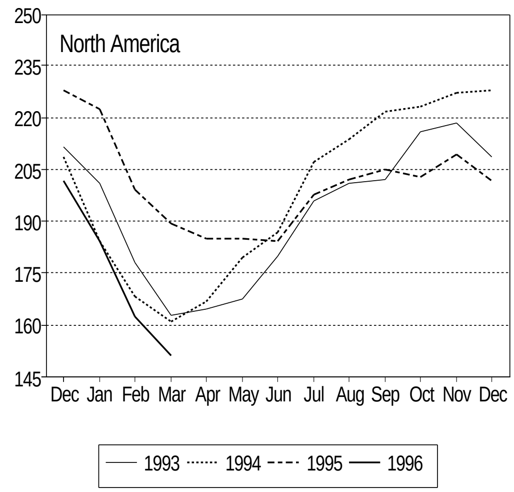
Gasoline

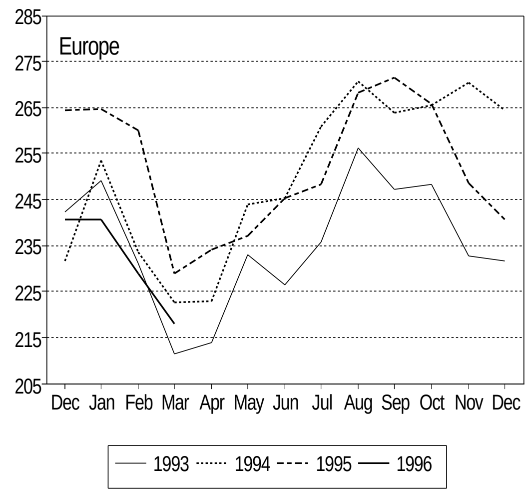


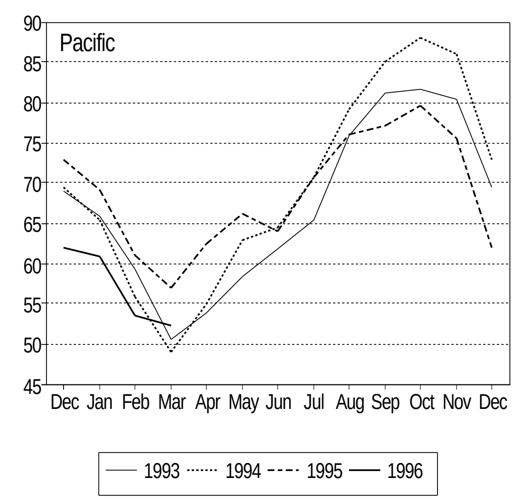




Middle Distillates

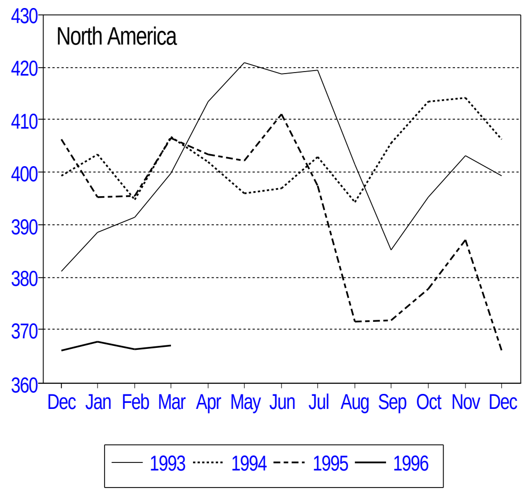


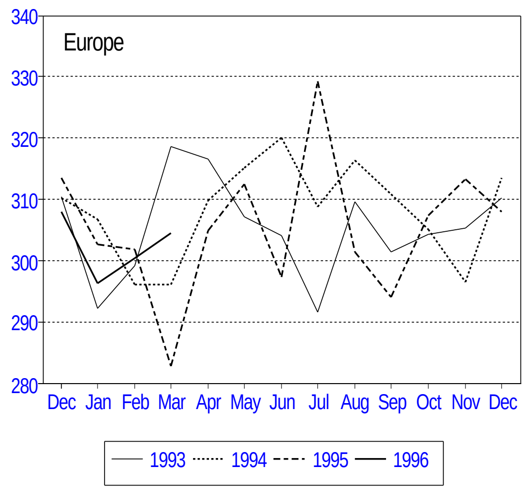


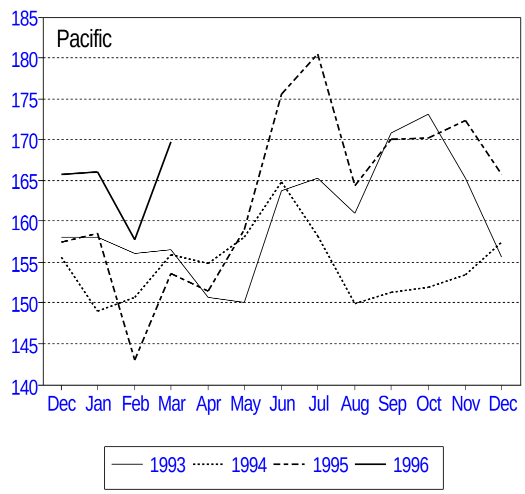


OECD Industry End Month Stocks
(Million barrels)

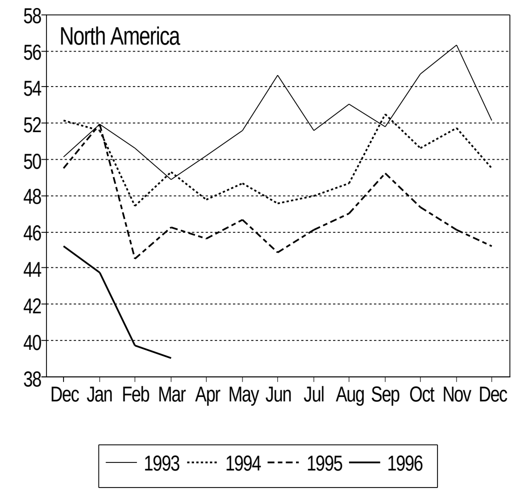
Crude Oil

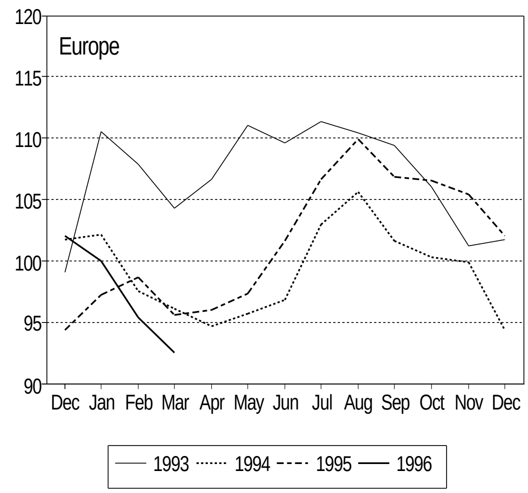


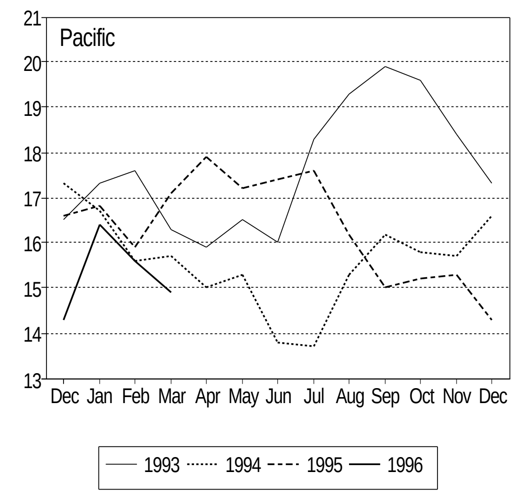




Fuel Oil

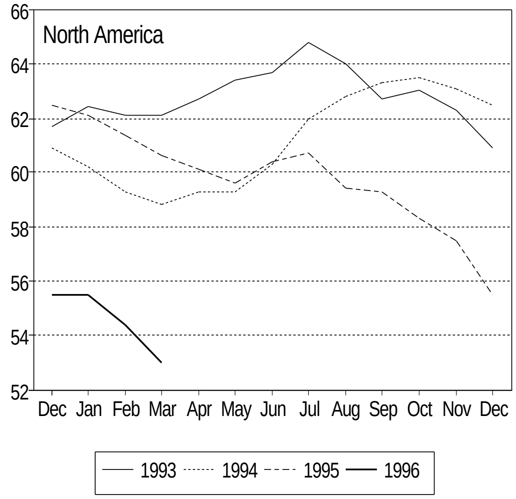


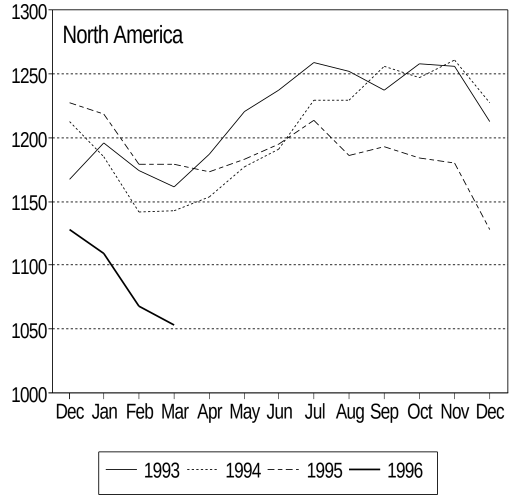


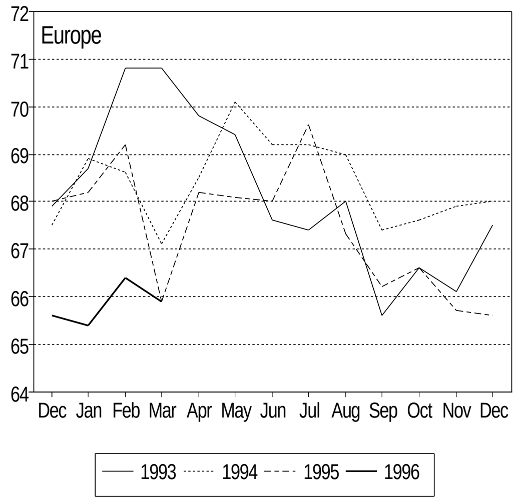


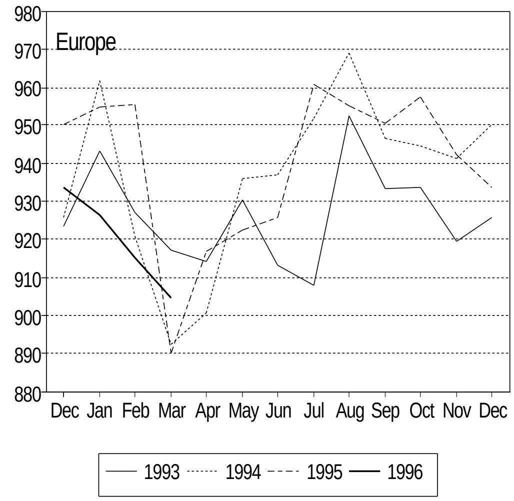
OCED End Month Industry Stocks

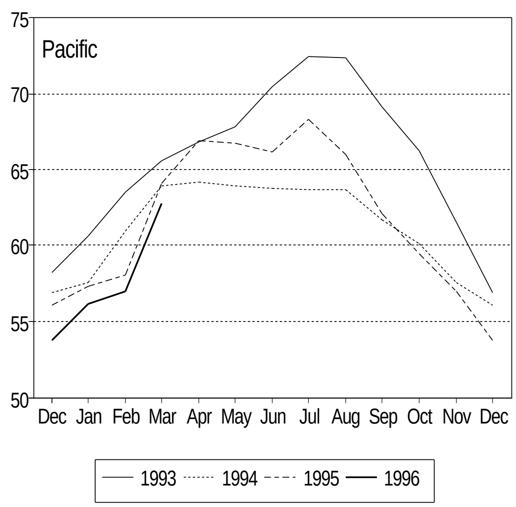
Days[1] | **Million barrels**

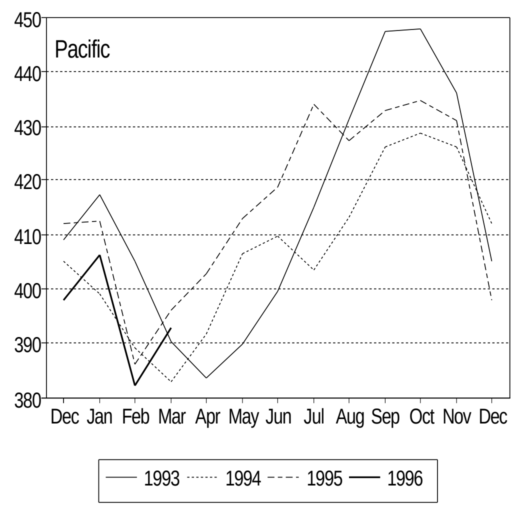










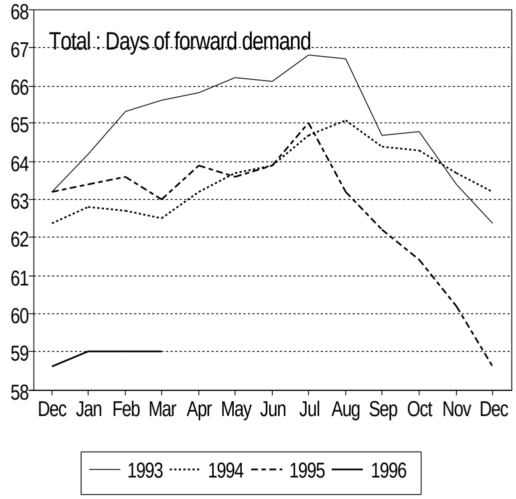


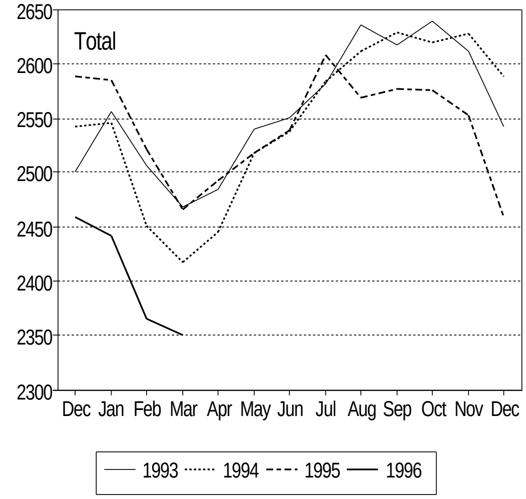
1 Days of total stocks are based on demand for the next three months.

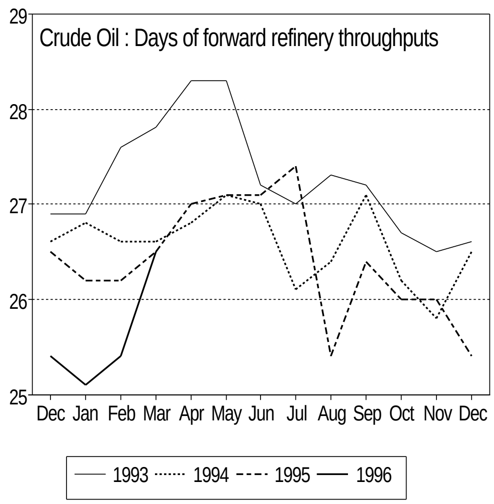
OECD End Month Industry Stocks

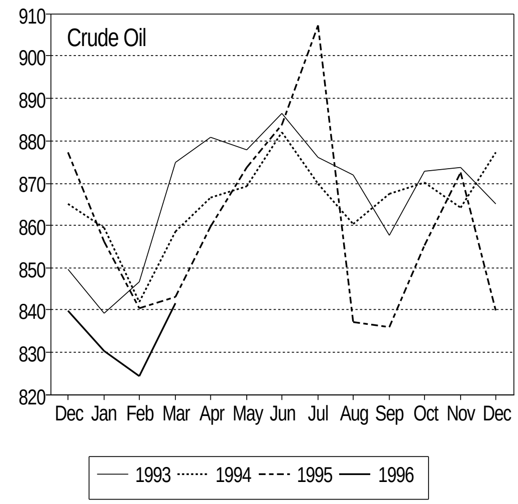
Days[1]

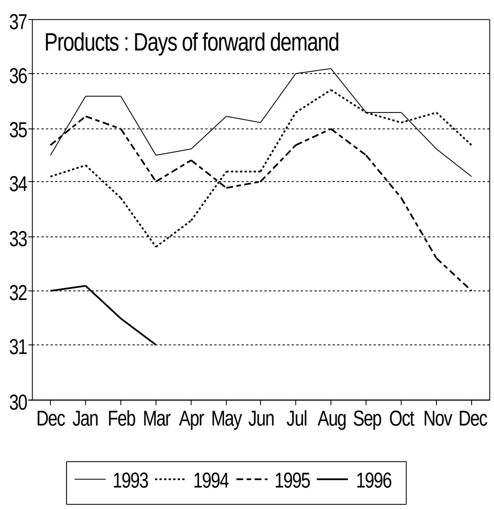
Million barrels

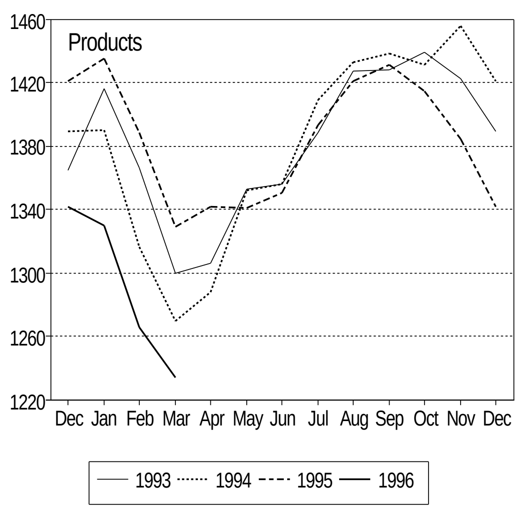












[1] Days of total and product stocks are based on demand for the next three months. Days of crude oil stocks are based on refinery throughputs for the next month

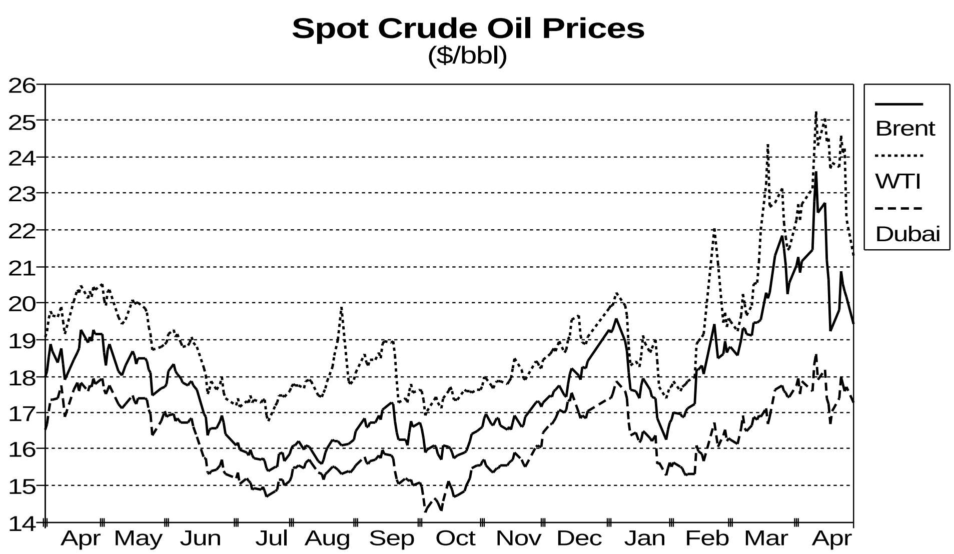
OIL PRICES AND REFINERY ACTIVITY

Summary

- In early April, benchmark crude prices increased appreciably, peaking at new post-Gulf War highs, mainly supported by low stocks, firm demand, rising product prices and supply tightness in North America. A growing market perception that the third round of the UN-Iraq talks on limited crude sales would come to a conclusive end contributed to a decline in crude prices in mid-April, which was steeper for Brent than for WTI. Increasing signs of an oversupply of North Sea crude and prospects of an easing supply tightness in the US exerted downward pressure on crude prices towards the end of April in spite of the inconclusive state of the UN-Iraq talks. The steep backwardation in crude prices in March and early April, both in physical and in paper markets, decreased appreciably towards the end of the month. In line with ongoing and approaching refinery maintenance, demand for crude decreased and sour crude prices in the Mediterranean and Asian benchmark crude prices both decreased relative to those of Brent.
- Following a late cold spell in the US in early April, the onset of milder weather in the northern hemisphere marked the end of the winter heating season and middle distillate prices decreased appreciably in the US and Europe and, to a lesser extent, in Asia. Gasoline prices increased substantially in all markets, with the gasoline/crude spread reaching last spring's highs by the end of April in line with low US gasoline stocks and firm demand. Fuel oil prices remained almost unchanged in all markets, decreasing relative to those of crude.
- Average refining margins remained almost unchanged in Europe and Singapore and rose slightly in the US, with the effect of increasing gasoline prices being offset by the decrease in middle distillate prices. However, margins were very volatile due to the significant changes in the relative values of products and crude during the month.
- The aggregate refinery throughputs in OECD countries decreased in March by 0.6 mb/d to 32.5 mb/d, consistent with ongoing refinery maintenance in all major refining centres. A decrease in European and Japanese throughputs, related to refining turnarounds, was partly offset by an increase in the US. Throughput levels in April are expected to have increased in the US and decreased in Europe and Japan.

CIF Crude Import Costs

Table 8 shows that the preliminary weighted average CIF cost for crude imported into IEA countries for February was $18.06/bbl, $0.17/bbl lower than in January. The weighted average CIF price is estimated to have been $19.05/bbl in March and $20.15/bbl in April.



Spot Crude Oil Prices

Primarily due to a combination of low stocks, strong demand and supply tightness in the North America, Atlantic Basin benchmark crudes, Brent and WTI, saw spot prices rising by mid-April to the highest level since the Gulf War. WTI surpassed the $25.00/bbl mark for the first time in five years and Brent peaked at $23.63/bbl. The high volatility and upward trend in crude prices continued to attract speculative trade, which contributed to market tightness, and, in addition, to strong demand when traders had to cover short positions. In the second half of the month, spot prices decreased in an increasingly headline driven market that expected a conclusive end to the third round of the Iraq-UN talks on limited crude sales. Whereas Brent prices decreased sharply, as shown in the graph above, the drop in WTI was less severe, causing the WTI/Brent spread to widen considerably. However, the inconclusive end to these talks caused spot prices to increase briefly before declining further into early May on the news of additional crude sales out of the US Strategic Petroleum Reserve and easing supply tightness. The most notable development was the increase in backwardation for WTI and Brent prices to extreme levels by mid-month, followed by a sharp decline towards the end of the month, as shown in the graph below. The increasing strength in gasoline prices on both sides of the Atlantic took over from gasoil in supporting crude oil prices.

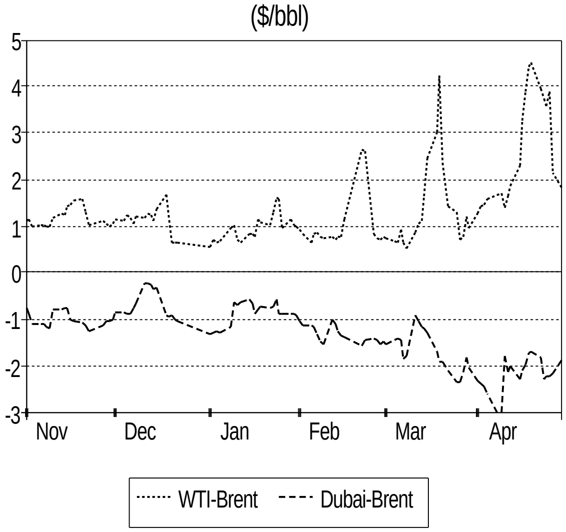
Spot Crude Oil Prices and Differentials
(monthly and weekly averages, $%bbl)

					Week Ending:					
	Feb	Mar	Apr	Change	22-Mar	29-Mar	05-Apr	12-Apr	19-Apr	26-Apr
Brent Dated	17.86	19.91	20.98	1.06	20.49	21.03	21.07	22.58	20.62	20.33
Dubai	15.84	16.96	17.66	0.70	17.08	17.55	17.76	18.10	17.30	17.68
WTI	18.86	21.27	23.59	2.33	23.24	22.01	22.49	24.22	24.30	23.79
Brent over Dubai	2.02	2.96	3.32		3.41	3.48	3.31	4.48	3.33	2.64
WTI over Brent	1.00	1.35	2.62		2.75	0.98	1.43	1.64	3.67	3.46
Brent 1st month minus 2nd month	0.62	1.14	1.22		1.32	1.40	1.27	1.81	1.17	0.88

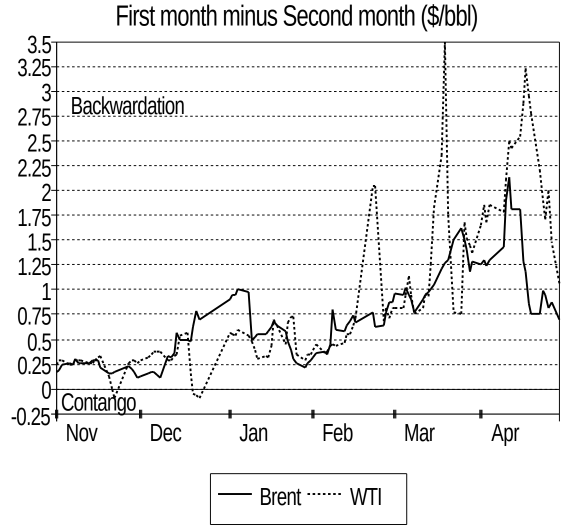
WTI prices increased appreciably in early April, in line with strong demand, tightening spot availability, the brief weather-related closure of Mexican crude export ports and low crude and product inventories. The WTI price peaked at $25.25/bbl in the second week of the month, when last minute buying by inventory-short refiners and uncommon demand for WTI movements into Ontario created a localized squeeze on physical WTI supply. In contrast to sharply declining Brent prices, WTI prices remained within a relatively narrow band between $23.60/bbl and $24.60/bbl up to the expiry of the May contract, only little affected by headlines around the UN-Iraq talks. Support was mainly derived from strong fundamentals such as tight availability and a number of refinery problems causing sharp rises in gasoline prices. With the April contract expiring and May becoming the front month traded, spot WTI prices decreased to a lower trading range in the last days of April.

In the first half of the month, WTI's backwardation increased to more than $3.20/bbl, as shown in the graph below, consistent with the tightening availability of physical WTI. The level of backwardation decreased to about $1.00/bbl towards the end of April, a level which still reflected the tight crude stock situation in the US.

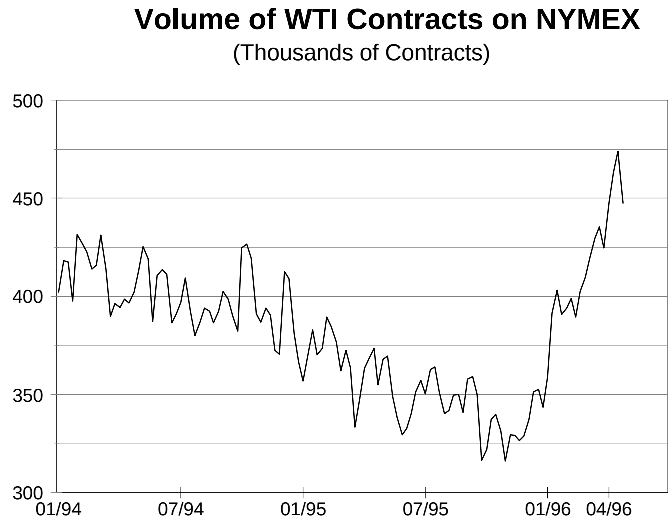
WTI/Brent/Dubai Differentials
($/bbl)



Forward Brent and WTI Differentials
First month minus Second month ($/bbl)



As shown in the graph to the right, the volume of WTI contracts traded on NYMEX increased sharply from December to April, reaching near record levels. This surge in trading activity on the futures market coincided with the sharp decrease in crude stocks in the US and the upwards trend in crude oil prices. An increasing use of futures by commercial traders to hedge positions in the short term and, to a lesser extent, the reported increase in crude purchases by traders and refiners in the outer months contributed to this rise. The sell-off of contracts in the second half of April, reportedly concentrated in the outer months, is believed to have been linked to the increasing expectation of a return of Iraqi oil to markets in the near term.



Brent prices increased, primarily supported by transatlantic demand and sharply increasing gasoline prices on both sides of the Atlantic, to a peak level of $23.63/bbl for dated Brent in the second week of the month, the highest level since November 1991. The increasing availability of spot North Sea crudes in the second half of April combined with an increasingly nervous market with news suggesting an imminent agreement at the UN-Iraq talks, causing dated Brent to decrease by $3.50/bbl within three trading days. The sharpness of the fall was aggravated by the move in trading of the 15-day Brent market from May to the June contract, which had been traded at a discount to the May contract. The increasing signs of oversupply of North Sea crudes, in part due to the return of Norwegian crude from maintenance (see Supply section above), caused the backwardation of Brent, which had reached levels of more than $2.80/bbl earlier in the month only to decrease sharply to about $0.25/bbl by the end of April. Supply premia for gasoil-rich North Sea crudes over Brent decreased to near normal levels as distillate prices decreased relative to those of crude.

The transatlantic arbitrage possibility for North Sea crudes improved in April as the rising spread between WTI and Brent futures was reinforced by a diminishing premium for dated Brent over Brent futures. WTI's wide premium over Brent reportedly attracted large volumes of European and West African grades. Even some of the North Sea grades seldom traded into the US, such as heavy Alba, and Mediterranean sour Urals were reportedly moved transatlantic.

Dubai prices did not rise to the same extent as Brent and WTI and remained under pressure from a combination of decreasing crude demand ahead of the approaching Asian turnaround season, increased availability of Persian Gulf grades (as discussed in the Supply section), limited buying interest by the Indian Oil Corporation (IOC) in its April tender, and the postponement of IOC's May tender by one week. Dubai remained at a steep discount to Brent throughout the month. Demand for African crude from Asia decreased in April, when the strength of dated Brent relative to Dubai led Asian buyers away from crudes priced off dated Brent towards Persian Gulf crudes priced against the Dubai benchmark.

Asian crude oil prices declined on an oversupply developing on the regional spot market, as planned refinery maintenance shutdowns caused refiners to cut back on crude purchases and demand for kerosene-rich grades declined, as the winter heating-season came to an end. In mid-April the prices of the regional benchmark crudes Tapis and Minas were close to those in February while Brent prices had increased by about $7.00/bbl in the same period, leading to a corresponding decrease in the differentials, as shown in the graph on page 38. Light sweet crude grades were supported in the second half of the month by emerging Chinese demand due to production problems with indigenous grades and weather-related production disruptions in Australian offshore production of Griffin and Cossack crude.

After three months of winter strength, the Mediterranean sour crude market yielded to spring's less tight supply/demand balance with almost no weather related loading disruptions occurring in Urals Black Sea loading ports in April and lower crude demand due to the April peak in Mediterranean refinery maintenance shutdowns. Urals prices, which moved within a narrow band around parity to dated Brent from late December to the end of March, decreased appreciably during April relative to those of Brent, as shown in the graph on page 38. The Brent/Ural differential widened from $0.23/bbl at the end of March to $0.90/bbl in the third week of April, averaging some $0.58/bbl higher than in March. However, in the last week of April a tightening availability of Urals in the Mediterranean, caused by the opening of the arbitrage possibility to the US and Canada, caused the Brent/Urals spread to decrease slightly to some $0.74/bbl. The Brent/Iranian Heavy spread increased in line with that of Urals, averaging at $1.21/bbl, some $0.42/bbl higher than in March.

Spot Product Prices in April

Spot product prices in the three markets shown in the table below were less volatile than those of crude and to a large extent driven by changing fundamentals. Gasoline prices increased appreciably, mainly due to low stocks in the US and the forthcoming peak driving season, and middle distillate prices decreased, most notably in the US and in Europe and to a lesser extent in Asia, in line with the seasonal decline in heating oil demand. Fuel oil prices remained almost unaffected by crude price swings in a tightly balanced market.

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

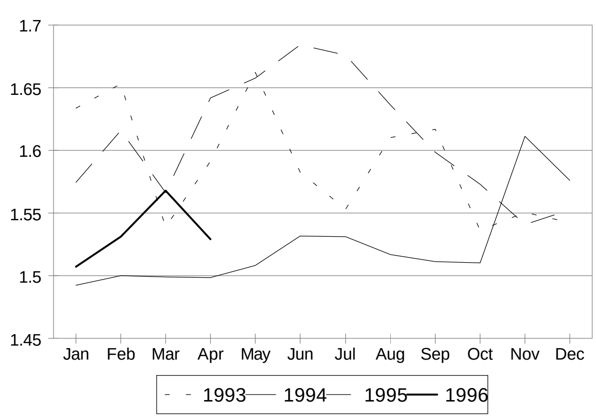
	Gasoline			Gasoil			Low Sulphur Residual Fuel Oil		
	Rotterdam	NY Harbour	Singapore	Rotterdam	NY Harbour	Singapore	Rotterdam	NY Harbour	Singapore
Feb	19.37	22.24	20.64	24.63	25.50	26.58	16.76	17.61	15.92
Mar	21.40	24.57	23.41	25.02	26.94	25.86	17.26	18.62	16.15
Apr	24.83	27.44	25.14	24.94	27.89	25.56	18.17	19.95	17.31
Change over month	3.43	2.87	1.73	-0.08	0.95	-0.30	0.90	1.34	1.16
Week ending:									
22 Mar	21.78	25.27	23.19	25.26	30.20	26.33	17.84	18.71	15.83
29 Mar	22.64	25.40	24.60	26.68	27.74	25.08	17.78	19.50	16.66
05 Apr	23.12	26.16	23.88	26.17	28.47	24.81	18.22	19.55	16.50
12 Apr	25.65	28.22	23.88	26.29	31.63	26.21	18.30	20.30	17.35
19 Apr	24.61	26.52	25.08	24.50	27.42	25.40	18.21	20.20	17.28
26 Apr	25.48	28.63	26.77	23.77	25.17	25.83	18.03	19.88	17.80

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

A combination of historically low stocks, numerous refinery problems affecting **gasoline** production and the growing market perception of increasing gasoline tightness during the summer driving season ahead, caused US gasoline prices to rise sharply to the highest level in five years. The rise in spot prices was briefly interrupted in mid-month by a decrease in prices in line with the decline in crude prices. The gasoline/WTI spread rose to some $7.00/bbl by the end of April, almost reaching the peak values seen last year in May. Monthly average gasoline prices in the US increased by more than those in Europe as shown in the table above and the transatlantic arbitrage possibility remained workable throughout April. Gasoline imports into the US soared to 600 kb/d in the second week of the month and averaged more than 500 kb/d for the month, with some 140 kb/d reportedly being supplied from Europe in spite of the steep backwardation in US gasoline prices and tight vessel availability.

As in the severe winter of 1993/1994 US refiners faced this winter the unexpected need to keep middle-distillate output as high as possible in April, as shown in the graph on the right. Whereas traditionally the switch to maximising gasoline production at the expense of middle distillate production occurs very early in the year, historically low levels of gasoil and a late cold spell required refiners to keep on maximising the production of gasoil in order to cover prompt demand at the expense of building gasoline stocks ahead of the summer driving season. The ratio of gasoline to middle distillate production at US refineries in January, February and April remained well below the values seen in 1993 and 1995.

US Refinery Production
Gasoline / Middle Distillates



Gasoline prices on the US West Coast increased sharply to levels higher than during the Gulf War, with the phasing in of the new low-emission gasoline (California Air Resources Board Regulations, Carb) coinciding with a series of unrelated, unexpected refinery processing unit shutdowns at Californian refineries and with the overall tightness of gasoline supplies. Due to the new grade's restrictive quality specifications, which require specially equipped refineries for its production, the state was effectively isolated from most gasoline export markets and only two US refiners outside California reportedly have been able so far to sell arbitrage cargoes of Carb gasoline into the US West Coast. The supply difficulties and soaring wholesale prices caused the California Independent Oil Marketers Association to call for a temporary suspension of underlying regulations so that marketers could supply other grades until current problems could be resolved. However, this request was rejected by the authorities. In April production of the new Carb gasoline is reportedly estimated to have run some 20 kb/d below an assumed demand of some 864 kb/d. The underlying tightness of spot market supply has caused prices of conventional gasoline, which remains on sale until the end of May, to rise sharply above levels in the other main US markets.

European spot gasoline prices increased appreciably during April, mainly in line with strong gasoline prices in the US and tightening availability for prompt product, caused by seasonal refinery turnarounds, firm local demand and the increasing exports to the US and, to a lesser extent, to South America and Africa. Prices briefly peaked in mid-month at the highest level in four years before decreasing in line with the sharp drop in Brent prices. However, towards the end of the month spot prices rebounded sharply in line with ongoing strong regional and export demand and tight availability. By the end of April, the gasoline/Brent spread had surpassed last summer's peak values.

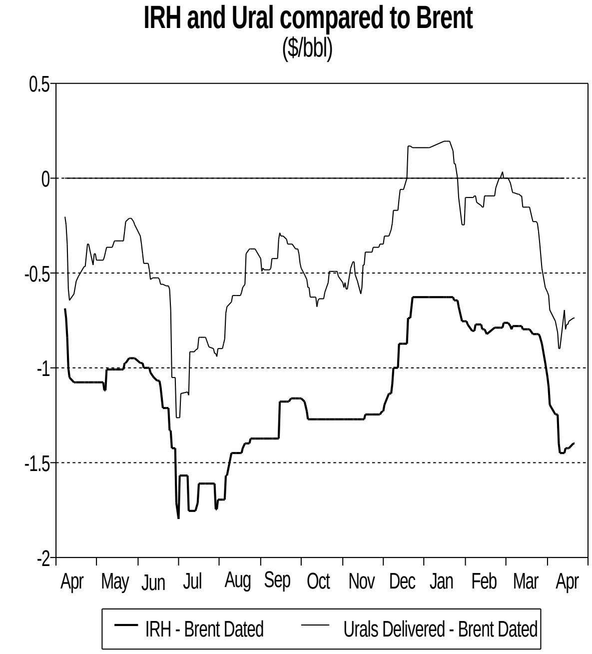
Spot gasoline prices in Singapore increased steadily during April, both in absolute terms and relative to that of crude, mainly in line with firm demand from Korea and Japan ahead of the approaching refinery turnaround season and tightening supply. During the month Asian gasoline availability was increasingly affected by the westward diversion of supplies from the Middle East due to the better arbitrage possibility for gasoline exports to western markets. The gasoline/crude differential in Singapore exceeded the highs seen past summer.

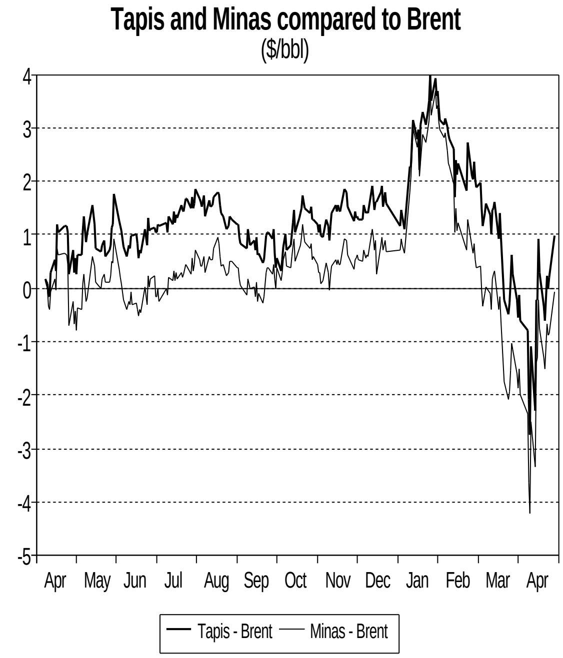
Average **Naphtha** prices in Northwest Europe and in the Mediterranean increased by more than those of crude but by less than those of gasoline, reaching in absolute terms the highest level in more than four and a half years. Support for spot prices was mainly derived from strong regional and transatlantic demand from refiners for gasoline production and from petrochemical end users. Spot naphtha prices in Singapore remained little changed at the high levels they rose to in early April, mainly as a result of strong spot demand from Korea, where ethylene crackers returned from seasonal turnarounds and from Japan, where supplies were reduced by the onset of seasonal refinery turnarounds and refinery throughputs cuts. Average naphtha prices increased by $2.60/bbl in Rotterdam, by $2.55/bbl in the Mediterranean and by $2.03/bbl in Singapore.

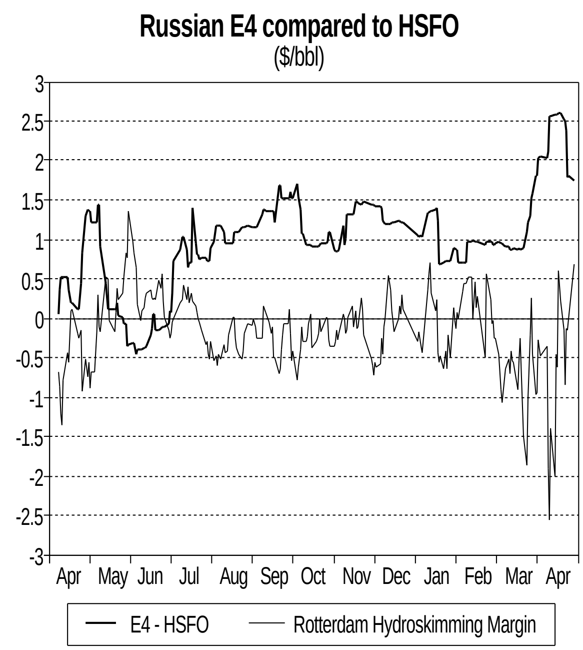
The rise in European gasoline prices resulted in the gasoline/naphtha differential increasing for the third month. This provided further support to firm **reforming margins** in Europe, which had decreased since November and had become negative in January.

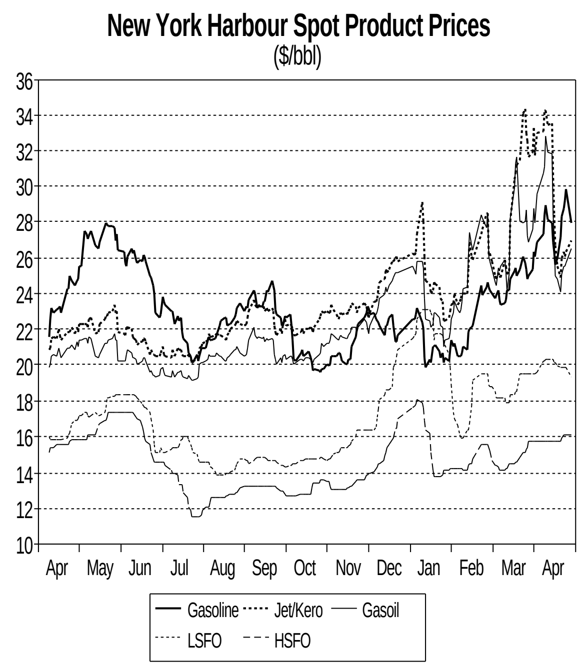
US Atlantic coast spot **gasoil** prices continued to increase in early April, rising by more than $6.00/bbl from March lows and peaking at $32.76/bbl, the highest level since the Gulf war. This rise was consistent with continuing low gasoil stocks, coupled with strong demand and yet another cold spell in the US Northeast in early April. The product tightness was aggravated by operational problems at a number of refineries and the ongoing US spring refinery turnaround season. By mid-month, the onset of milder weather combined with lower crude prices and the arrival of arbitrage cargoes from the US Gulf Coast and spot prices decreased by $7.00/bbl within five trading days before increasing slightly towards the end of the month. The backwardation of the gasoil contract on NYMEX, which had increased to the extremely high level of nearly $3.20/bbl in March, decreased to some $1.30/bbl in the fourth week of April.

Spot gasoil prices also increased in Northwest Europe in early April, by far less however, than those in the US, supported mainly by tight availability. A combination of milder weather, the increasing supply overhang of Russian gasoil and the steep decrease in Brent prices triggered a decline in spot gasoil prices of more than $3.50/bbl during the last three weeks of April, with prices rebounding slightly in the last week of the month in line with those of crude. The average gasoil/Brent differential decreased, consistent with the waning seasonal support for middle distillate prices. The backwardation of gasoil decreased during the month from the extreme values of more than $2.00/bbl at the end of March to some $0.50/bbl towards the end of April.


IRH and Ural compared to Brent
($/bbl)
0.5
0
-0.5
-1
-1.5
-2
Apr May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr
IRH - Brent Dated
Urals Delivered - Brent Dated


Tapis and Minas compared to Brent
($/bbl)
4
3
2
1
0
-1
-2
-3
-4
-5
Apr May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr
Tapis - Brent
Minas - Brent


Russian E4 compared to HSFO
($/bbl)
3
2.5
2
1.5
1
0.5
0
-0.5
-1
-1.5
-2
-2.5
-3
Apr May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr
E4 - HSFO
Rotterdam Hydroskimming Margin


New York Harbour Spot Product Prices
($/bbl)
36
34
32
30
28
26
24
22
20
18
16
14
12
10
Apr May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr
Gasoline
Jet/Kero
Gasoil
LSFO
HSFO

In contrast to those in Europe and in the US, spot gasoil prices in Singapore remained within a narrow band, in spite of coming under pressure from lower than expected demand, in particular, from India and ample supply in the first half of the month and gaining support in the second half of April from tightening gasoil availability in East Asia. The decrease in volumes arriving from the Middle East and the US forced traders increasingly to cover commitments from within the area, thus contributing to the supply tightness in the the second half of the month.

In line with those of gasoil, European and US spot **kerosene** prices increased in early April and then decreased sharply by mid-month. This decline was consistent with the seasonal decrease in demand for middle distillates and, in particular, for kerosene for blending. Improved product availability on the US East Coast was the main reason for a decrease in spot prices of $8.00/bbl within the five trading days of the third week of April. Spot kerosene prices also decreased in Singapore, falling by more than those of gasoil due to the end of the high demand season for kerosene and improved product supplies. The kerosene/gasoil differential narrowed to some $0.50/bbl in all three markets by the end of April.

In spite of volatile crude markets spot **LSFO** prices remained almost unchanged in Northwest Europe. In early April, spot Mediterranean LSFO prices increased to levels not seen since the Gulf War, as traders faced difficulties to cover commitments to the Italian utility ENEL due to refinery turnarounds and limited availability in the traditional North- and South American LSFO export markets. Prices decreased in the second half of the month, when prompt ENEL demand had been covered and no further buying interest emerged.

In the US, spot LSFO prices remained little changed, decreasing only slightly during April. The relative strength in prices was due to the lack of incremental prompt supply, combined with low stocks and firm demand. Demand emerged mainly from contract suppliers to Italy's ENEL, with the transatlantic arbitrage workable during all of April, and from restocking programmes by utilities in advance of the summer air-conditioning season. The supply tightness was aggravated by seasonal turnarounds and decreasing volumes of indigenous US fuel oil production. Towards the end of April, utilities with dual-fuel fired equipment gradually switched back to gas, as spot natural gas prices decreased rapidly to an oil equivalent of some $17.00/bbl. This exerted a downward pressure on spot LSFO prices towards the end of the month. The average LSFO/HSFO differential in the US remained at an unusually high level of $4.13/bbl compared to the spread in Rotterdam and Singapore which averaged $1.34/bbl and $0.06/bbl respectively.

Strong demand for **LSWR**[1] from north Asia and from the US feedstock market contributed to a continuous rise in spot LSWR prices during April, briefly interrupted in mid-month by the steep decrease in Atlantic Basin crude prices. Towards the end of April, spot LSWR prices came under pressure, with refinery problems in Australia reducing demand and a high May allocation of LSWR.

Monthly average **HSFO** prices remained almost unchanged in the US and decreased slightly in Northwest Europe and in Singapore. In the US, spot HSFO prices remained supported by a tight supply/demand balance, affected mainly by the ongoing refinery turnaround season and the decrease in spot availability from South America, most notably from Venezuela, where an increase in conversion capacity translated into a decrease of 60 kb/d of fuel oil available for exports.

In Northwest Europe (NWE) and the Mediterranean, spot HSFO prices continued to rise slightly in early April, in NWE to the highest level since the Gulf War, consistent with sustained demand, supply tightness due to ongoing refinery maintenance in the Mediterranean and the steep rise in crude prices. Spot HSFO prices eased only slightly towards the end of the month. Spot HSFO prices in Singapore decreased during April from the high end of March levels as demand remained low and arbitrage cargoes, mainly from the Middle East and South America, started to arrive.

The premium for Russian atmospheric residue (**E4**) over HSFO increased appreciably during the month, as shown in the graph on page 38, peaking at an unusually high level of $2.60/bbl before decreasing towards the end of the month by about $1.00/bbl. The sharp increase reflected the combined effect of the steep rise in crude prices in early April, limited straight run residue supplies due to ongoing refinery maintenance in the Mediterranean and low, volatile European hydroskimming margins.

End-User Product Prices

[1] Spot **LSWR** prices in Singapore ceased to be assessed by Platts at the end of March. Starting with this issue, price developments of mixed/cracked LSWR fob Indonesia will be followed in this Report.

In April, mid-month end-user product prices increased for almost all products in the countries shown in Table 9, in line with the steep increase in international spot product quotations in the first half of the month. The exceptions were Italy, where prices for automotive diesel decreased, Japan, where prices for gasoline and fuel oil were unchanged and Canada, where prices for heating oil were unchanged.

Automotive diesel prices continued to increase by appreciably more than those of gasoline on a year-on-year pre-tax basis, reflecting the extraordinary strength in spot distillate prices in the northern hemisphere that continued into early April. The exception to this trend remained the UK, where transportation fuel prices decreased in a continuing price war and Japan, where prices for transportation fuels decreased in recent months in anticipation of the deregulation of oil product imports on 1 April. However, diesel prices in the UK and Japan decreased on a year-on-year basis by less than those of gasoline in line with the strength in middle distillate prices. The steepest year-on-year pre-tax increase in automotive diesel prices was in Germany.

Mid-month heating oil prices for domestic consumers increased most notably in Germany, rising to the highest level since the Gulf War and increasing by 31% on a year-on-year pre-tax basis. Heavy fuel oil prices for industry increased appreciably in Germany and in Italy, in the latter case due to the supply tightness for prompt LSFO in the Mediterranean.

Refining Margins

Monthly average refining margins remained almost unchanged for Brent in Northwest Europe and for Dubai in Singapore and increased slightly for indigenous crudes on the US Gulf Coast. However, refinery margins were very volatile during the month in these refining centres, changing by as much as $2.00/bbl within a few days. The main reasons for this volatility were the significant changes in the relative values of products and crude during the month.

For the second month the Rotterdam hydroskimming margin remained at a comparatively low level, mainly due to the decline in fuel oil prices relative to those of crude. The effect of increasing gasoline prices in the US and in Europe on hydroskimming and cracking margins was largely offset by the decrease in middle distillate prices. The increase of the Brent cracking margin on the US Gulf Coast was mainly due to the lower increase of Brent prices compared to those of WTI, as can be seen from the weekly data in the table above.

The monthly average Dubai hydroskimming margin in Singapore remained almost unchanged in April, but increased during the month, primarily supported by rising gasoline prices and only moderately decreasing middle distillate prices.

Refining Margins in Major Refining Centres

(monthly and weekly averages, $/bbl)

					Week Ending:					
	Feb	Mar	Apr	Change	22 Mar	29 Mar	05 Apr	12 Apr	19 Apr	26 Apr
NW Europe										
Brent (Hydroskimming)	0.20	-0.67	-0.61	0.05	-0.79	-0.66	-0.66	-1.55	-0.45	-0.26
Brent (Cracking)	1.88	1.31	1.34	0.03	1.18	1.55	1.37	0.65	1.38	1.59
US Gulf Coast										
Brent (Cracking)	0.53	0.95	2.21	1.25	1.74	0.96	1.84	1.93	1.90	2.76
WTI (Cracking)	1.13	0.74	0.99	0.25	0.10	1.05	1.62	1.73	-0.35	0.77
ANS (Cracking)	1.28	0.57	0.81	0.24	0.15	0.73	1.21	1.21	-0.36	0.83
Singapore										
Brent (Hydroskimming)	2.66	1.62	1.54	-0.08	1.46	0.97	0.77	1.21	1.87	1.90

Refinery Crude Throughputs in March

The aggregate refinery throughputs for March in OECD countries decreased to 32.5 mb/d, down 0.6 mb/d from the revised February level, with increases in the US and, to a lesser extent, in Canada more than offset by decreases in Europe, Japan and Australasia. Total throughputs were 0.7 mb/d or 2.2% higher than a year earlier, reflecting lower refinery maintenance and the impact of low product stocks.

Refinery Crude Throughput in OECD Countries

	million barrels per day						% change from previous year	
	Nov	Dec	Jan	Feb	Mar*	Jan-Mar 1996*	Mar	Jan-Mar 1996
OECD Europe	12.56	12.83	12.69	12.95	12.39	12.68	6.6	4.4
France	1.62	1.78	1.77	1.73	1.71	1.74	17.6	13.5
Germany	2.01	2.02	2.10	2.10	1.98	2.06	0.5	-1.9
Italy	1.66	1.86	1.71	1.79	1.65	1.72	9.0	5.0
Netherlands	1.20	1.22	1.25	1.22	1.03	1.16	4.8	6.0
UK	1.88	1.83	1.71	1.68	1.69	1.70	-4.4	-0.7
US	13.84	14.05	13.76	13.58	13.76	13.70	1.7	1.0
Canada	1.32	1.31	1.40	1.23	1.25	1.29	-7.5	-6.7
Japan	4.26	4.39	4.67	4.67	4.52	4.62	-4.4	-2.0
Australia/New Zealand	0.57	0.55	0.59	0.60	0.55	0.58	0.0	8.0
OECD Total	32.55	33.13	33.11	33.03	32.47	32.87	2.2	1.6

* estimated

Preliminary data suggest that total crude throughputs to distillation units in Europe decreased in March by some 0.6 mb/d, in line with the increase in planned and previously delayed refinery maintenance. However, total throughputs of nearly 12.4 mb/d were the highest monthly level recorded in more than seven years and were some 0.75 mb/d or 6.6% higher than in March last year. In spite of ongoing strong demand for middle distillates in March, decreasing and very volatile refinery margins reportedly caused some European refiners to cut throughput. The decrease in European throughput levels was mainly concentrated in the Netherlands, Italy and Germany.

Crude throughputs in the US increased in March by 0.2 mb/d to 13.8 mb/d, and were some 0.2 mb/d or 1.7% higher on a year-on-year basis, consistent with refineries starting to come out of seasonal maintenance. Refinery utilisation based on operating refinery capacity increased by about 1.1% in March, after allowing for the closure of the 190 kb/d Marcus Hook refinery on the US East Coast.

Japanese crude throughputs decreased by some 0.15 mb/d in March to 4.50 mb/d, in line with the onset of seasonal refinery maintenance. Total throughputs were some 0.2 mb/d or 4.4% lower than a year earlier, but higher than in the corresponding month in 1994 and 1993. In addition to the turnarounds, reports suggest that Japanese refiners, driven by expectations of a further erosion in gasoline prices, cut refinery throughputs by some 5% in March and that they plan to continue these cuts for 2Q96.

Supported by firm middle distillate demand and good refining margins, Singapore refineries again operated near capacity in March with throughputs at 1.18 mb/d.

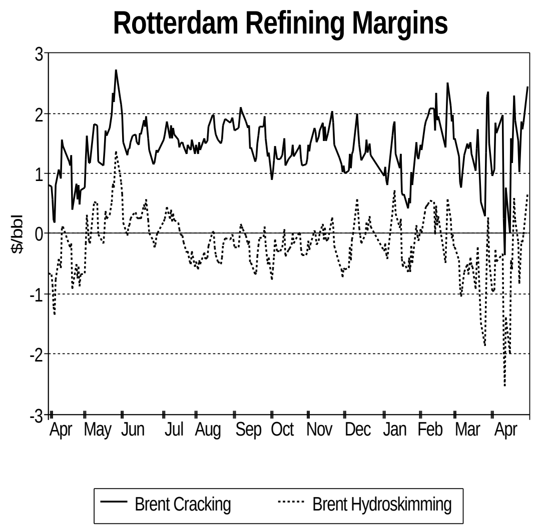
In April, refinery throughputs in Europe and Japan are expected to decrease again, in line with the ongoing seasonal refinery turnarounds. Weekly US statistics suggest that throughput levels increased in April by about 0.25 mb/d.

Other Industry Developments

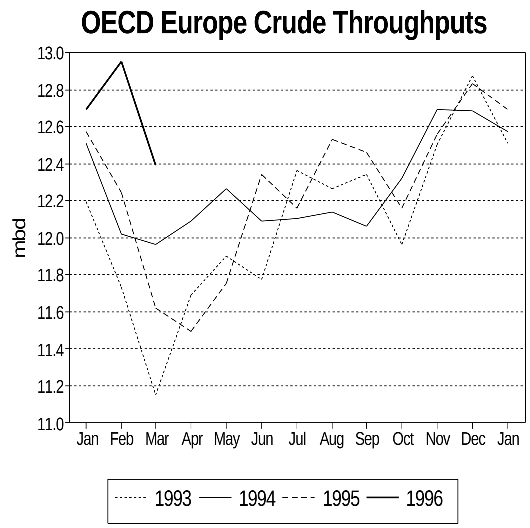
On 1 April, the day Japan ended its ban on the import of gasoline and other refined products, one of the country's main trading companies took delivery of a cargo of Korean gasoline. Gasoline and kerosene imports from Korea, as well as jet fuel imports from Russia, have arrived since. Although a limited number of players so far have actually taken advantage of the deregulated market, more are expected to participate. Traders reportedly plan to import gas oil from Korea, the US, the Middle East and the Mediterranean.

Five leading Japanese refining companies have announced plans to share and jointly operate their oil storage facilities in Kochi prefecture by the third quarter of 1997. The cooperation, which involves the closure of some and the expansion of other tank farm facilities, is believed to have been agreed in order to reduce distribution costs in the light of the liberalisation of oil products imports.

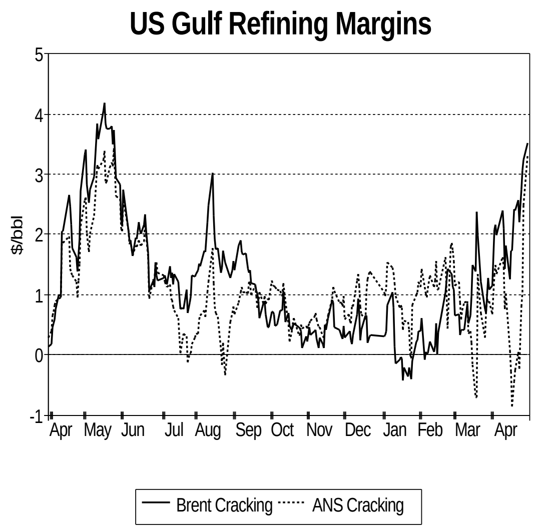
The 170 kb/d Beta refinery at Wilhelmshaven, Germany, has reportedly been saved from imminent closure, when its operator and half-owner, Louis Dreyfus Energy Ltd., agreed to operate the plant until a buyer is found. The refinery was reportedly under the threat of closure after ongoing litigation between Dreyfus and co-owner Tusculum, a subsidiary of Carlyle Development Corporation led to Dreyfus' announcement that it would halt crude supplies to the facility on 15 May. The facility has gone into receivership with the appointment of an official receiver by the Wilhelmshaven court. In March, the refinery had announced that it planned to increase capacity by 30 kb/d during this year's refinery maintenance shutdown in September.



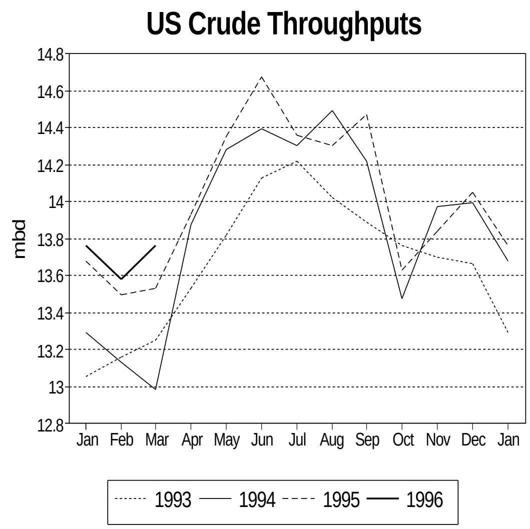
Rotterdam Refining Margins
$/bbl
3
2
1
0
-1
-2
-3
Apr May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr
Brent Cracking
Brent Hydroskimming



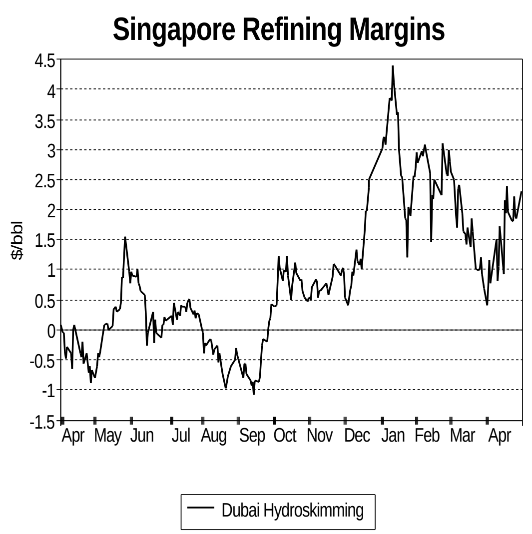
OECD Europe Crude Throughputs
mbd
13.0
12.8
12.6
12.4
12.2
12.0
11.8
11.6
11.4
11.2
11.0
Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec Jan
1993
1994
1995
1996



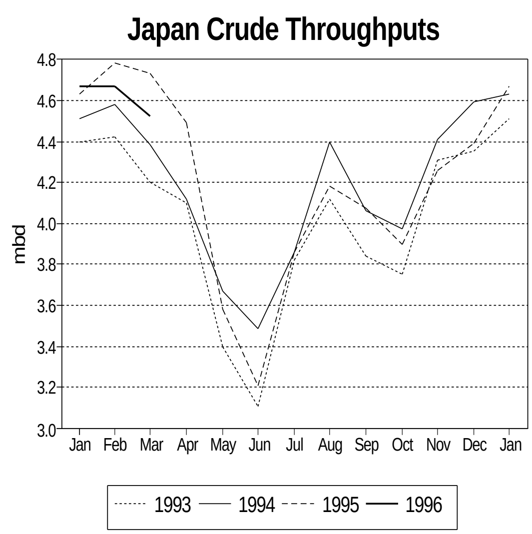
US Gulf Refining Margins
$/bbl
5
4
3
2
1
0
-1
Apr May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr
Brent Cracking
ANS Cracking



US Crude Throughputs
mbd
14.8
14.6
14.4
14.2
14
13.8
13.6
13.4
13.2
13
12.8
Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec Jan
1993
1994
1995
1996



Singapore Refining Margins
$/bbl
4.5
4
3.5
3
2.5
2
1.5
1
0.5
0
-0.5
-1
-1.5
Apr May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr
Dubai Hydroskimming



Japan Crude Throughputs
mbd
4.8
4.6
4.4
4.2
4.0
3.8
3.6
3.4
3.2
3.0
Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec Jan
1993
1994
1995
1996

Table 1

WORLD OIL SUPPLY AND DEMAND

(million barrels per day)

	1992	1993	1Q94	2Q94	3Q94	4Q94	1994	1Q95	2Q95	3Q95	4Q95	1995	1Q96	2Q96	3Q96	4Q96	1996
DEMAND																	
OECD																	
North America	19.0	19.2	19.9	19.4	19.7	19.8	19.7	19.6	19.5	19.8	20.1	19.8	20.3	19.9	20.2	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	14.4	13.9	14.2	13.7	13.8	14.5	14.1
Pacific	6.3	6.3	7.1	6.0	6.4	6.9	6.6	7.3	6.2	6.3	7.0	6.7	7.4	6.3	6.4	7.0	6.8
TOTAL OECD	38.9	39.1	40.7	38.7	39.7	40.8	40.0	41.0	39.2	39.7	41.5	40.3	41.9	39.8	40.5	42.0	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	4.7	4.5	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	8.6	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	28.2	29.7	28.7	29.9	29.1	28.9	30.5	29.6	30.5	30.1	29.9	31.7	30.5
TOTAL DEMAND[3]	67.5	67.7	69.8	66.6	67.9	70.5	68.7	70.9	68.2	68.6	72.0	70.0	72.5	69.9	70.4	73.6	71.6
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	10.9	10.9	10.9	11.1	11.0
Europe	4.8	5.1	5.9	6.0	5.8	6.5	6.0	6.4	6.0	6.2	6.7	6.3	6.7	6.6	6.9	7.7	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	0.9	0.8
TOTAL OECD	16.6	16.8	17.5	17.4	17.4	18.3	17.6	18.1	17.7	17.7	18.3	18.0	18.3	18.3	18.6	19.7	18.7
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	7.2	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	3.2	3.2	3.2	3.2
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	2.2	2.3	2.2
Latin America	5.7	5.8	5.9	5.9	6.0	6.0	5.9	6.1	6.0	6.3	5.9	6.1	6.4	6.5	6.5	6.6	6.5
Middle East	1.5	1.6	1.7	1.8	1.8	1.8	1.8	1.9	1.9	1.9	1.9	1.9	1.9	1.9	2.0	2.0	2.0
Africa	2.0	2.0	2.0	2.0	2.1	2.1	2.1	2.2	2.2	2.2	2.3	2.2	2.3	2.3	2.4	2.5	2.4
Processing Gains[4]	1.3	1.4	1.4	1.4	1.4	1.4	1.4	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
TOTAL NON-OPEC	40.9	40.5	40.8	40.5	41.0	42.3	41.1	42.1	41.7	42.2	42.5	42.1	43.0	43.3	44.0	45.2	43.9
OPEC																	
Crude	24.1	24.7	24.9	24.9	24.9	25.2	25.0	25.2	25.2	25.6	25.6	25.4	26.0				
NGLS	2.1	2.3	2.3	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.5	2.4	2.6	2.6	2.7	2.8	2.7
TOTAL OPEC	26.2	26.9	27.3	27.3	27.3	27.6	27.4	27.5	27.6	28.0	28.1	27.8	28.6				
TOTAL SUPPLY[5]	67.1	67.4	68.1	67.8	68.3	69.9	68.5	69.7	69.4	70.1	70.6	70.0	71.5				
STOCK CHANGE AND MISCELLANEOUS																	
REPORTED OECD																	
Industry	-0.1	0.1	-1.4	1.3	1.0	-0.4	0.1	-1.3	0.8	0.4	-1.3	-0.4	-1.2				
Government	0.1	0.1	0.1	0.0	0.0	0.1	0.1	0.1	-0.1	0.1	0.1	0.0	0.0				
TOTAL OECD	0.0	0.2	-1.3	1.3	1.0	-0.3	0.2	-1.2	0.7	0.5	-1.2	-0.3	-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				
Miscellaneous to balance[6]	-0.4	-0.5	-0.3	-0.2	-0.4	-0.2	-0.3	0.3	0.3	0.5	-0.4	0.2	0.5				
TOTAL STOCK CH. & MISC.	-0.4	-0.3	-1.7	1.2	0.4	-0.6	-0.2	-1.2	1.1	1.4	-1.3	0.0	-0.9				
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	2.3	2.4	2.4	2.7	2.9	2.4	2.6
Call on OPEC crude + Stock ch.7	24.5	24.9	26.6	23.7	24.5	25.8	25.1	26.4	24.1	24.1	27.0	25.4	26.9	24.0	23.7	25.6	25.1
Total Demand ex. FSU (mb/d)	60.4	62.0	64.4	62.1	63.2	65.5	63.8	65.8	63.7	64.2	67.1	65.2	67.7	65.4	66.1	68.7	67.0
Total Demand ex. FSU (% ch.)[8]	3.0	2.6	3.4	3.1	3.3	2.2	3.0	2.2	2.6	1.5	2.4	2.1	2.9	2.7	2.9	2.4	2.7

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

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

Table 2

OECD REGIONAL OIL DEMAND

(million barrels per day)

	October			November			December			Fourth Quarter			January		
	1994	1995	%	1994	1995	%	1994	1995	%	1994	1995	%	1995	1996	%
North America															
LPG	2.36	2.20	-6.7	2.19	2.39	8.9	2.48	2.54	2.6	2.34	2.38	1.4	2.51	2.51	0.1
Naphtha	0.28	0.21	-25.1	0.29	0.24	-17.3	0.30	0.29	-2.2	0.29	0.25	-14.7	0.28	0.28	-0.8
Motor Gasoline	8.19	8.43	3.0	8.11	8.53	5.2	8.56	8.37	-2.3	8.29	8.44	1.8	7.75	7.87	1.5
Jet/Kerosene	1.68	1.68	-0.2	1.69	1.78	5.6	1.75	1.81	3.7	1.71	1.76	3.0	1.75	1.82	4.2
Gasoil	3.51	3.57	1.6	3.66	3.73	1.9	3.69	3.99	8.3	3.62	3.76	4.0	3.80	4.21	10.9
Residual Fuel Oil	1.04	1.02	-2.2	1.09	0.99	-9.0	1.21	1.26	4.9	1.11	1.09	-1.8	1.04	1.23	17.6
Other Products	2.70	2.60	-3.6	2.35	2.47	5.4	2.40	2.22	-7.3	2.48	2.43	-2.0	2.00	2.24	11.7
Total	**19.77**	**19.72**	**-0.3**	**19.38**	**20.13**	**3.9**	**20.38**	**20.49**	**0.6**	**19.85**	**20.11**	**1.3**	**19.13**	**20.15**	**5.3**
Europe															
LPG	0.89	0.79	-11.5	0.90	0.90	-0.1	0.98	0.97	-0.2	0.92	0.89	-3.9	0.99	1.05	6.1
Naphtha	0.99	1.01	1.6	1.08	1.15	6.3	1.13	1.09	-4.0	1.07	1.08	1.1	1.17	1.14	-2.3
Motor Gasoline	2.89	2.96	2.5	2.96	2.92	-1.4	2.94	2.98	1.3	2.93	2.95	0.8	2.54	2.54	0
Jet/Kerosene	0.83	0.90	7.6	0.76	0.83	8.0	0.75	0.80	5.7	0.78	0.84	7.1	0.76	0.80	5.8
Gasoil	4.66	4.81	3.4	5.02	5.34	6.4	5.12	5.28	3.2	4.93	5.14	4.3	4.83	5.12	6.0
Residual Fuel Oil	2.15	2.16	0.6	2.27	2.39	5.4	2.29	2.32	1.5	2.23	2.29	2.5	2.30	2.30	-0.2
Other Products	1.30	1.32	1.5	1.23	1.23	0.2	1.00	0.96	-4.5	1.17	1.17	-0.7	0.90	0.92	2.5
Total	**13.70**	**13.94**	**1.7**	**14.22**	**14.75**	**3.7**	**14.21**	**14.40**	**1.3**	**14.04**	**14.36**	**2.3**	**13.49**	**13.88**	**2.9**
Pacific															
LPG	0.65	0.66	2.0	0.72	0.70	-3.4	0.79	0.84	6.2	0.72	0.73	1.8	0.73	0.79	8.3
Naphtha	0.74	0.73	-1.0	0.73	0.82	13.1	0.83	0.88	6.4	0.77	0.81	6.1	0.83	0.81	-2.2
Motor Gasoline	1.17	1.19	1.7	1.21	1.25	3.0	1.29	1.32	2.6	1.22	1.25	2.5	1.09	1.14	5.0
Jet/Kerosene	0.59	0.61	2.4	0.82	0.91	10.9	1.20	1.32	9.7	0.87	0.95	8.4	1.14	1.16	1.5
Gasoil	1.40	1.45	2.9	1.55	1.61	3.6	1.64	1.72	4.8	1.53	1.59	3.8	1.41	1.49	5.9
Residual Fuel Oil	0.86	0.77	-11.4	1.00	0.82	-17.9	0.95	0.91	-4.3	0.94	0.83	-11.2	0.90	0.89	-1.6
Other Products	0.81	0.71	-13.1	0.93	0.82	-11.2	0.81	0.86	6.3	0.85	0.80	-6.2	0.82	0.83	0.9
Total	**6.23**	**6.11**	**-2.0**	**6.96**	**6.93**	**-0.4**	**7.52**	**7.86**	**4.6**	**6.90**	**6.97**	**0.9**	**6.92**	**7.11**	**2.7**
OECD															
LPG	3.90	3.65	-6.4	3.81	3.98	4.4	4.25	4.36	2.6	3.99	4.00	0.2	4.23	4.35	2.9
Naphtha	2.02	1.96	-3.1	2.10	2.21	5.3	2.26	2.26	0.1	2.13	2.14	0.8	2.28	2.23	-2.1
Motor Gasoline	12.24	12.58	2.7	12.28	12.70	3.4	12.79	12.67	-1.0	12.44	12.65	1.7	11.38	11.55	1.5
Jet/Kerosene	3.11	3.18	2.4	3.27	3.52	7.5	3.71	3.93	6.1	3.36	3.55	5.4	3.64	3.78	3.7
Gasoil	9.57	9.83	2.6	10.23	10.67	4.3	10.45	11.00	5.3	10.08	10.50	4.1	10.04	10.83	7.8
Residual Fuel Oil	4.05	3.94	-2.7	4.36	4.20	-3.5	4.44	4.49	1.2	4.28	4.21	-1.6	4.25	4.41	3.9
Other Products	4.81	4.63	-3.8	4.50	4.52	0.5	4.21	4.04	-4.0	4.51	4.40	-2.5	3.72	3.99	7.1
Total	**39.70**	**39.76**	**0.1**	**40.55**	**41.81**	**3.1**	**42.11**	**42.75**	**1.5**	**40.79**	**41.44**	**1.6**	**39.54**	**41.13**	**4.0**

Demand, measured as deliveries from refineries and primary stocks, comprises inland deliveries, international bunkers and refinery fuel. It includes crude for direct burning, oil from non-conventional sources and other sources of supply.
Jet/kerosene comprises jet kerosene and non-aviation kerosene grades. Gasoil comprises diesel, light heating oil and other gasoils.
North America comprises US 50 States, territories and Canada.
Figures above are unadjusted trade data submitted to the IEA Secretariat in the Monthly Oil and Gas questionnaire. Totals may differ slightly from those in Table 1 since the latter incorporates adjustments based on other government sources.

Table 3

OIL DEMAND IN SELECTED OECD COUNTRIES

(million barrels per day)

	November			December			Fourth Quarter			January			February		
	1994	1995	%	1994	1995	%	1994	1995	%	1995	1996	%	1995	1996	%
United States															
LPG	1.92	2.09	8.7	2.18	2.22	2.0	2.05	2.08	1.2	2.23	2.32	4.2	2.13	2.25	5.8
Naphtha	0.22	0.17	-22.7	0.22	0.22	0.7	0.22	0.18	-20.5	0.20	0.20	2.4	0.21	0.27	30.5
Motor Gasoline	7.46	7.88	5.5	7.92	7.72	-2.6	7.65	7.79	1.8	7.16	7.25	1.4	7.50	7.55	0.6
Jet/Kerosene	1.58	1.66	5.1	1.63	1.69	3.7	1.59	1.64	2.7	1.63	1.70	3.9	1.62	1.79	10.8
Gasoil	3.18	3.23	1.6	3.20	3.46	8.1	3.15	3.26	3.7	3.34	3.68	10.4	3.69	3.72	0.9
Residual Fuel Oil	0.88	0.79	-10.3	0.99	1.03	4.1	0.91	0.88	-2.8	0.84	1.02	21.6	1.07	1.03	-3.8
Other Products	2.07	2.21	6.5	2.17	2.00	-7.8	2.21	2.17	-1.9	1.77	2.03	14.5	2.14	1.88	-12.1
Total	**17.31**	**18.02**	**4.1**	**18.32**	**18.35**	**0.2**	**17.79**	**18.00**	**1.2**	**17.17**	**18.21**	**6.1**	**18.36**	**18.50**	**0.8**
Japan															
LPG	0.64	0.62	-3.1	0.71	0.76	6.5	0.64	0.65	1.9	0.66	0.72	8.7	0.77	0.77	0.5
Naphtha	0.72	0.82	13.2	0.82	0.88	6.4	0.76	0.81	6.1	0.83	0.81	-2.2	0.87	0.80	-8.4
Motor Gasoline	0.84	0.88	4.1	0.93	0.97	4.5	0.87	0.90	3.2	0.75	0.79	5.2	0.83	0.85	2.7
Jet/Kerosene	0.73	0.81	11.0	1.11	1.22	9.8	0.78	0.85	8.3	1.05	1.10	4.8	1.14	1.24	8.2
Diesel	0.76	0.78	3.1	0.76	0.79	3.1	0.75	0.77	2.8	0.62	0.66	6.7	0.75	0.76*	1.5*
Other Gasoil	0.55	0.56	2.6	0.66	0.71	6.5	0.56	0.57	3.0	0.59	0.61	3.1	0.73	0.73*	0.4*
Residual Fuel Oil	0.93	0.77	-17.4	0.88	0.86	-2.8	0.88	0.78	-10.6	0.86	0.86	0	0.96	0.95	-1.5
Direct use of Crude Oil	0.34	0.32	-6.7	0.33	0.34	4.6	0.34	0.30	-11.9	0.35	0.37	5.0	0.38	0.36	-6.4
Other Products	0.47	0.36	-24.3	0.35	0.38	7.8	0.40	0.36	-9.1	0.35	0.33	-6.8	0.36	0.37	0.8
Total	**5.99**	**5.91**	**-1.2**	**6.56**	**6.90**	**5.1**	**5.97**	**5.99**	**0.3**	**6.06**	**6.24**	**3.0**	**6.81**	**6.83**	**0.4**
Germany															
LPG	0.11	0.10	-9.2	0.12	0.12	0.9	0.11	0.11	-3.9	0.13	0.15	14.0	0.13	0.16	22.0
Naphtha	0.37	0.31	-16.8	0.35	0.34	-2.5	0.36	0.32	-10.8	0.35	0.35	0.4	0.36	0.33	-8.2
Motor Gasoline	0.70	0.69	-0.6	0.68	0.66	-3.2	0.69	0.69	-0.6	0.61	0.62	2.1	0.68	0.65	-4.0
Jet/Kerosene	0.11	0.11	3.9	0.11	0.11	-2.5	0.12	0.12	-0.4	0.11	0.11	0.2	0.12	0.11	-9.3
Diesel	0.49	0.48	-2.4	0.42	0.37	-13.3	0.46	0.43	-5.5	0.35	0.35	-0.4	0.40	0.38	-6.1
Other Gasoil	0.74	0.84	14.7	0.79	0.86	8.4	0.76	0.79	3.5	0.85	1.02	20.6	0.80	1.11	39.2
Residual Fuel Oil	0.21	0.20	-3.5	0.20	0.19	-2.9	0.20	0.20	-1.7	0.22	0.19	-13.3	0.20	0.19	-3.1
Other Products	0.19	0.17	-7.6	0.15	0.10	-34.1	0.17	0.16	-9.4	0.09	0.11	20.1	0.10	0.09	-9.7
Total	**2.92**	**2.92**	**0.1**	**2.82**	**2.74**	**-2.8**	**2.87**	**2.81**	**-2.3**	**2.71**	**2.91**	**7.2**	**2.79**	**3.03**	**8.3**
Italy															
LPG	0.13	0.14	9.7	0.16	0.15	-1.7	0.14	0.14	-0.1	0.16	0.16	-0.9	0.14	0.16	13.2
Naphtha	0.11	0.14	22.4	0.13	0.14	9.0	0.12	0.14	18.7	0.15	0.14	-10.8	0.12	0.12	3.9
Motor Gasoline	0.39	0.38	-2.1	0.41	0.40	-3.2	0.40	0.39	-1.2	0.35	0.35	0.2	0.40	0.39	-3.0
Jet/Kerosene	0.07	0.06	-8.1	0.06	0.06	-2.5	0.06	0.07	7.3	0.06	0.06	-5.9	0.06	0.07	21.3
Diesel	0.38	0.40	6.1	0.38	0.26	-30.9	0.37	0.34	-7.1	0.35	0.28	-20.0	0.38	0.37	-1.4
Other Gasoil	0.23	0.23	2.9	0.23	0.35	47.9	0.22	0.27	24.5	0.18	0.25	40.3	0.26	0.22	-15.2
Residual Fuel Oil	0.66	0.65	-1.1	0.60	0.61	2.5	0.60	0.60	1.1	0.55	0.62	13.0	0.64	0.64	-0.9
Other Products	0.14	0.16	15.3	0.14	0.12	-8.4	0.14	0.15	5.2	0.12	0.12	2.7	0.11	0.15	35.7
Total	**2.11**	**2.18**	**3.3**	**2.11**	**2.10**	**-0.3**	**2.04**	**2.10**	**3.1**	**1.92**	**1.98**	**2.9**	**2.11**	**2.12**	**0.6**
France															
LPG	0.11	0.11	1.1	0.12	0.13	11.0	0.12	0.12	1.9	0.14	0.14	3.8	0.12	0.16	27.7
Naphtha	0.18	0.26	48.4	0.26	0.16	-38.5	0.20	0.21	4.8	0.27	0.24	-11.7	0.26	0.25	-2.4
Motor Gasoline	0.35	0.34	-4.5	0.37	0.35	-3.4	0.36	0.35	-3.7	0.33	0.32	-2.3	0.33	0.32	-5.5
Jet/Kerosene	0.09	0.09	0.3	0.09	0.09	-2.0	0.09	0.09	1.5	0.09	0.09	4.6	0.09	0.10	12.2
Diesel	0.45	0.47	5.5	0.45	0.46	2.1	0.45	0.47	4.8	0.42	0.44	4.1	0.46	0.45	-1.0
Other Gasoil	0.35	0.37	6.6	0.41	0.52	27.0	0.36	0.40	11.2	0.48	0.45	-6.3	0.43	0.61	41.3
Residual Fuel Oil	0.16	0.18	11.6	0.18	0.21	17.1	0.16	0.18	13.2	0.17	0.19	10.7	0.15	0.21	36.0
Other Products	0.12	0.13	7.4	0.09	0.11	20.4	0.13	0.13	-1.6	0.05	0.04	-28.2	0.05	0.10	96.8
Total	**1.81**	**1.96**	**8.1**	**1.96**	**2.03**	**3.6**	**1.87**	**1.95**	**4.3**	**1.95**	**1.91**	**-2.1**	**1.89**	**2.19**	**15.8**
United Kingdom															
LPG	0.18	0.17	-3.5	0.18	0.17	-8.5	0.18	0.17	-5.6	0.17	0.16	-8.7	0.18	0.17	-5.5
Naphtha	0.09	0.10	14.3	0.10	0.07	-25.2	0.09	0.08	-5.7	0.08	0.06	-19.6	0.12	0.07	-35.8
Motor Gasoline	0.60	0.57	-4.6	0.51	0.49	-4.3	0.55	0.53	-3.1	0.46	0.43	-6.3	0.52	0.49	-5.1
Jet/Kerosene	0.20	0.23	16.8	0.21	0.25	18.6	0.21	0.24	13.7	0.21	0.24	15.3	0.22	0.26	17.9
Diesel	0.33	0.33	2.4	0.24	0.24	-1.3	0.28	0.28	2.2	0.23	0.27	14.8	0.28	0.29	4.0
Other Gasoil	0.20	0.18	-5.7	0.18	0.18	-2.8	0.19	0.18	-3.8	0.21	0.21	0.5	0.21	0.24	12.6
Residual Fuel Oil	0.18	0.20	11.9	0.23	0.17	-24.9	0.21	0.18	-13.0	0.21	0.18	-13.0	0.24	0.22	-6.8
Other Products	0.20	0.21	6.4	0.17	0.19	10.9	0.19	0.21	6.7	0.19	0.22	15.1	0.19	0.16	-18.1
Total	**1.97**	**2.01**	**2.2**	**1.83**	**1.76**	**-3.9**	**1.89**	**1.87**	**-1.0**	**1.76**	**1.76**	**0.5**	**1.96**	**1.90**	**-2.6**
Canada															
LPG	0.26	0.29	11.0	0.29	0.31	7.1	0.28	0.29	2.8	0.27	0.30	10.0	0.29	0.32	10.0
Naphtha	0.07	0.07	0	0.08	0.07	-10.8	0.07	0.07	4.7	0.08	0.07	-9.0	0.08	0.08	3.7
Motor Gasoline	0.59	0.60	1.1	0.58	0.59	1.7	0.59	0.60	2.1	0.54	0.56	4.1	0.60	0.59	-1.8
Jet/Kerosene	0.08	0.09	18.6	0.09	0.09	6.4	0.08	0.09	11.2	0.08	0.09	10.1	0.09	0.09	0.0
Diesel	0.14	0.14	0	0.13	0.13	0	0.14	0.14	0	0.12	0.13	5.6	0.14	0.14	5.9
Other Gasoil	0.31	0.33	6.2	0.33	0.38	13.9	0.30	0.33	9.3	0.32	0.38	19.5	0.39	0.41	5.9
Residual Fuel Oil	0.15	0.14	-4.4	0.16	0.18	11.9	0.15	0.15	4.1	0.15	0.15	1.6	0.16	0.17	9.9
Other Products	0.22	0.21	-4.3	0.17	0.16	-3.8	0.21	0.20	-3.6	0.17	0.15	-13.2	0.17	0.18	5.5
Total	**1.82**	**1.87**	**2.9**	**1.82**	**1.91**	**4.7**	**1.82**	**1.88**	**3.2**	**1.73**	**1.83**	**5.7**	**1.90**	**1.98**	**4.0**

Demand, measured as deliveries from refineries and primary stocks, comprises inland deliveries, international bunkers and refinery fuel. It includes crude for direct burning, oil from non-conventional sources and other sources of supply.
Jet/kerosene comprises jet kerosene and non-aviation kerosene grades.
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	1Q95	2Q95	3Q95	4Q95	1Q96	Feb96	Mar96*	Apr96*
OPEC[1]											
Crude Oil											
Saudi Arabia	7.96	7.90	7.94	7.93	7.88	8.01	7.92	7.95	7.98	7.98	7.98
Iran	3.65	3.61	3.65	3.62	3.65	3.65	3.68	3.69	3.67	3.65	3.70
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	2.21	2.19	2.16	2.17	2.17	2.16	2.16
Kuwait	1.69	1.84	1.84	1.83	1.84	1.84	1.84	1.84	1.84	1.84	1.81
Neutral Zone	0.36	0.39	0.43	0.42	0.41	0.44	0.43	0.46	0.47	0.47	0.48
Qatar	0.42	0.41	0.45	0.44	0.45	0.45	0.46	0.47	0.47	0.48	0.48
Nigeria	1.91	1.90	1.93	1.86	1.93	1.93	2.01	2.09	2.10	2.12	2.13
Libya	1.37	1.38	1.41	1.41	1.40	1.41	1.40	1.38	1.38	1.40	1.38
Algeria	0.74	0.75	0.76	0.75	0.75	0.76	0.79	0.78	0.77	0.79	0.80
Gabon	0.30	0.32	0.35	0.34	0.35	0.35	0.35	0.36	0.36	0.37	0.37
Venezuela	2.31	2.44	2.58	2.48	2.51	2.64	2.71	2.89	2.89	2.93	2.93
Indonesia	1.34	1.32	1.34	1.32	1.34	1.34	1.34	1.38	1.39	1.40	1.39
Total Crude Oil	24.69	24.99	25.41	25.17	25.25	25.55	25.65	26.01	26.01	26.11	26.14
NGLs[2]	2.25	2.38	2.42	2.38	2.39	2.41	2.48	2.56	2.56	2.57	2.60
TOTAL OPEC	26.95	27.37	27.82	27.55	27.64	27.97	28.13	28.57	28.57	28.69	28.74
NON-OPEC[1,3]											
OECD											
North America	10.99	10.92	10.98	11.10	11.01	10.86	10.95	10.92	10.88	10.93	10.83
United States	8.82	8.64	8.59	8.70	8.64	8.48	8.52	8.51	8.49	8.49	8.43
Canada	2.18	2.28	2.39	2.40	2.37	2.37	2.43	2.41	2.39	2.44	2.40
Europe	5.12	6.03	6.31	6.35	5.97	6.18	6.74	6.66	6.78	6.57	6.80
UK	2.14	2.71	2.79	2.92	2.55	2.76	2.94	2.83	2.87	2.80	2.87
Norway	2.38	2.69	2.91	2.81	2.81	2.83	3.19	3.22	3.29	3.14	3.30
Others	0.60	0.63	0.61	0.63	0.60	0.59	0.61	0.62	0.62	0.64	0.63
Pacific	0.65	0.69	0.67	0.67	0.69	0.70	0.64	0.69	0.66	0.77	0.79
Australia	0.56	0.60	0.58	0.58	0.60	0.59	0.54	0.59	0.55	0.67	0.68
Others	0.09	0.09	0.10	0.09	0.09	0.11	0.10	0.10	0.10	0.11	0.11
Total OECD	16.76	17.64	17.96	18.12	17.66	17.74	18.32	18.27	18.31	18.27	18.42
Non-OECD											
Former USSR	7.95	7.22	7.15	7.14	7.18	7.11	7.18	7.10	7.17	7.07	7.25
Russia	6.95	6.28	6.18	6.23	6.19	6.13	6.15	6.08	6.16	6.03	6.17
Others	0.99	0.94	0.98	0.90	0.99	0.98	1.03	1.02	1.01	1.04	1.08
Asia	4.69	4.78	5.06	5.00	5.01	5.08	5.14	5.19	5.26	5.15	5.24
China	2.91	2.84	2.99	2.97	2.95	3.00	3.03	3.09	3.16	3.04	3.13
Malaysia	0.63	0.69	0.75	0.72	0.73	0.75	0.80	0.77	0.77	0.77	0.78
India	0.54	0.63	0.70	0.69	0.71	0.71	0.69	0.70	0.70	0.71	0.70
Others	0.60	0.62	0.62	0.62	0.61	0.62	0.63	0.63	0.63	0.63	0.63
Europe	0.28	0.28	0.27	0.27	0.26	0.28	0.27	0.28	0.28	0.28	0.28
Latin America	5.77	5.94	6.09	6.10	6.01	6.32	5.94	6.44	6.48	6.46	6.47
Mexico	3.14	3.14	3.07	3.11	3.14	3.19	2.84	3.31	3.33	3.34	3.31
Brazil	0.88	0.92	0.94	0.97	0.80	1.00	0.99	1.03	1.05	1.01	1.05
Argentina	0.63	0.71	0.76	0.75	0.76	0.76	0.78	0.76	0.76	0.76	0.76
Colombia	0.46	0.47	0.59	0.54	0.58	0.64	0.61	0.63	0.63	0.65	0.64
Ecuador	0.34	0.37	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38	0.38
Others	0.33	0.34	0.35	0.34	0.35	0.35	0.35	0.34	0.34	0.34	0.34
Middle East[4]	1.63	1.79	1.90	1.87	1.89	1.92	1.93	1.93	1.93	1.94	1.95
Oman	0.79	0.82	0.86	0.84	0.86	0.87	0.87	0.87	0.87	0.87	0.88
Syria	0.56	0.57	0.61	0.60	0.61	0.62	0.62	0.62	0.62	0.62	0.62
Yemen	0.22	0.35	0.38	0.37	0.38	0.38	0.38	0.39	0.39	0.39	0.40
Africa	2.05	2.06	2.23	2.17	2.24	2.24	2.26	2.27	2.27	2.27	2.29
Egypt	0.96	0.92	0.95	0.96	0.95	0.94	0.95	0.94	0.94	0.93	0.94
Angola	0.50	0.53	0.65	0.59	0.66	0.67	0.67	0.69	0.69	0.70	0.70
Others	0.58	0.61	0.63	0.63	0.63	0.64	0.64	0.64	0.64	0.64	0.65
Total Non-OECD	22.36	22.07	22.70	22.54	22.59	22.94	22.72	23.21	23.38	23.16	23.46
Processing Gains[5]	1.39	1.43	1.48	1.48	1.48	1.48	1.48	1.51	1.51	1.51	1.51
TOTAL NON-OPEC	40.51	41.14	42.14	42.14	41.73	42.17	42.52	42.98	43.20	42.94	43.39
TOTAL SUPPLY	**67.45**	**68.51**	**69.97**	**69.69**	**69.37**	**70.13**	**70.65**	**71.54**	**71.77**	**71.62**	**72.13**

1 Ecuador is identified separately as a non-OPEC producer country throughout the period covered by this table for the purposes of comparison.
2 Includes condensates reported by OPEC countries, oil from non-conventional sources, e.g. Orimulsion, and non oil inputs to Saudi Arabian MTBE.
3 Comprises crude oil, condensates, NGLs and oil from non-conventional sources.
4 Includes small amounts of production from Israel, Jordan and Bahrain.
5 Net of volumetric gains and losses in refining (excludes net gain/loss in FSU, China and non-OECD Europe) and marine transportation losses.
* Preliminary

Table 4A

OIL SUPPLY IN OECD COUNTRIES[1]

(thousand barrels per day)

	1995		January		February		March		First Quarter 96		April	
	Level	Change[2]	Level	Change	Level	Change	Level	Change	Level	Change	Level	Change
United States												
Alaska	1484	-75	1445	-24	1491	46	1457	-34	1464	-9	1367	-90
California (inc. offshore)	961	18	963	-9	960	-3	964	4	967	-4	966	2
Texas	1508	-106	1437	-3	1430	-7	1420	-10	1429	-53	1415	-5
Offshore Gulf of Mexico	1017	93	1088	-1	1128	40	1141	13	1119	93	1168	27
Other US Lower 48	1553	-70	1529	60	1488	-41	1484	-4	1496	-24	1447	-37
NGLs[3]	1760	33	1718	31	1720	2	1740	20	1726	-17	1768	28
Other Hydrocarbons	304	51	349	37	275	-74	285	10	304	-4	295	10
Total	**8586**	**-55**	**8529**	**91**	**8492**	**-37**	**8491**	**-1**	**8504**	**-18**	**8426**	**-65**
Canada												
Alberta Light & Medium	710	-21	681	-19	695	13	690	-5	689	-17	680	-10
Alberta Heavy	241	22	254	20	247	-6	245	-2	249	9	244	-1
Alberta Bitumen	149	15	152	0	150	-2	150	0	151	0	155	5
Saskatchewan	319	23	321	-6	324	3	330	6	325	-5	315	-15
Other Conventional	101	-2	86	-8	101	15	106	5	97	-1	104	-2
NGLs	591	53	632	18	609	-23	622	13	621	8	616	-6
Syncrudes	281	27	282	-2	263	-18	297	34	281	-9	290	-7
Total	**2392**	**117**	**2407**	**4**	**2389**	**-18**	**2440**	**50**	**2413**	**-14**	**2404**	**-36**
United Kingdom[4]												
Brent Fields	477	6	476	3	524	48	521	-3	507	13	487	-34
Forties Fields	929	118	951	41	915	-36	893	-22	920	-64	913	20
Ninian Fields	310	2	316	-20	324	8	326	2	322	-2	322	-4
Flotta Fields	250	-22	247	1	241	-6	242	1	243	-11	259	17
Other Offshore Fields	453	-54	459	-49	490	31	449	-41	465	-20	514	65
NGLs	269	25	265	-29	272	7	264	-8	267	-26	265	1
Total	**2689**	**74**	**2714**	**-53**	**2766**	**52**	**2695**	**-71**	**2724**	**-110**	**2760**	**66**
Norway[4]												
Ekofisk/Ula Area	499	21	486	-18	485	-1	500	15	490	-18	522	22
Oseberg Area	733	60	898	18	903	5	902	-1	901	21	905	3
Statfjord-Gullfaks-Snorre	1311	21	1275	-47	1290	16	1110	-180	1224	-114	1259	149
Haltenbanken	136	69	303	66	340	37	350	10	331	130	345	-5
Sleipner/Frigg	95	32	119	-2	122	3	124	2	122	7	115	-9
Plant Condensate (as NGLs)	8	1	8	0	8	-0	8	-0	8	-6	10	3
Lighter NGLs	129	14	142	-2	140	-1	142	2	141	8	144	2
Total	**2911**	**218**	**3231**	**15**	**3288**	**58**	**3136**	**-153**	**3217**	**29**	**3300**	**165**
Other OECD Europe												
Other North Sea	234	-5	231	1	239	8	245	6	239	6	244	-1
Onshore U.K.	102	8	110	2	105	-4	100	-5	105	-1	110	10
Italy	93	8	93	-3	98	5	98	0	96	4	98	0
Turkey	68	-3	68	0	69	1	70	1	69	1	70	0
Other	155	-19	147	-4	146	-1	160	14	151	-5	155	-5
NGLs	35	-3	43	4	44	1	43	-1	43	9	45	2
Non-Conventional Oils	20	-0	18	-3	20	2	21	1	20	-3	22	1
Total	**708**	**-14**	**709**	**-3**	**721**	**11**	**737**	**16**	**722**	**10**	**744**	**7**
Australia												
Gippsland Basin	228	-39	210	-4	211	1	212	1	211	-4	218	6
Cooper/Eromonga	38	-2	34	-1	37	2	38	1	36	0	39	1
Carnarvon Basin	217	24	224	15	221	-3	323	102	257	54	332	9
Bonaparte Basin	26	-5	12	-5	17	5	28	10	19	-4	25	-3
Other Fields	6	-0	6	0	6	0	6	-0	6	0	6	-0
NGLs	62	-4	50	-5	58	7	60	3	56	-2	62	2
Total	**576**	**-25**	**537**	**1**	**550**	**13**	**666**	**116**	**585**	**44**	**682**	**16**
Other OECD Pacific												
New Zealand	33	-7	28	-3	32	4	30	-2	30	-2	26	-4
Japan	11	-0	10	-1	11	1	11	0	11	-0	11	0
NGLs	12	1	12	0	13	1	13	0	13	2	13	0
Synthetic Fuels	42	13	44	-1	48	4	52	4	48	5	57	5
Total	**97**	**6**	**94**	**-5**	**104**	**10**	**106**	**2**	**101**	**5**	**107**	**1**
OECD												
Crude Oil	14446	110	14659	2	14840	182	14723	-117	14738	-18	14836	112
NGLs	2867	120	2869	17	2863	-6	2892	28	2875	-25	2923	32
Non-Conventional Oils	647	90	693	31	606	-86	655	49	652	-12	664	9
Total	**17960**	**320**	**18221**	**50**	**18310**	**89**	**18270**	**-40**	**18266**	**-55**	**18423**	**153**

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 STOCKS[1] AND QUARTERLY STOCK CHANGES

	RECENT MONTHLY STOCKS[2] in Million Barrels					PRIOR YEARS' STOCKS[2] in Million Barrels			STOCK CHANGES in mb/d			
	NOV95	DEC95	JAN96*	FEB96*	MAR96*	MAR93	MAR94	MAR95	Q295	Q395	Q495	Q196
North America												
Crude	387	366	368	366	367	400	407	407	0.05	-0.43	-0.06	0.01
Gasoline	216	222	234	235	226	252	235	237	-0.12	-0.06	0.02	0.04
Middle Distillate	209	202	184	162	151	163	161	189	-0.06	0.23	-0.04	-0.56
Residual Fuel Oil	46	45	44	40	39	49	49	46	-0.01	0.05	-0.04	-0.07
Total Products[3]	633	617	597	564	547	612	584	620	0.03	0.32	-0.38	-0.76
Total [4]	1179	1127	1109	1068	1052	1162	1142	1179	0.17	-0.02	-0.71	-0.82
Europe												
Crude	313	308	296	300	305	319	296	283	0.16	-0.04	0.15	-0.04
Gasoline	136	136	144	147	146	140	146	144	-0.07	-0.04	0.03	0.10
Middle Distillate	249	241	241	229	218	211	222	229	0.12	0.29	-0.34	-0.25
Residual Fuel Oil	105	102	100	95	92	104	96	96	0.06	0.06	-0.05	-0.10
Total Products[3]	575	567	571	555	540	539	542	554	0.09	0.36	-0.37	-0.30
Total [4]	942	934	926	915	905	917	892	890	0.33	0.27	-0.18	-0.32
Pacific												
Crude	172	166	166	158	170	156	156	154	0.24	-0.06	-0.05	0.04
Gasoline	28	27	29	29	29	26	25	29	-0.01	0.00	0.00	0.02
Middle Distillate	76	62	61	53	52	50	49	57	0.08	0.14	-0.16	-0.11
Residual Fuel Oil	15	14	16	16	15	16	16	17	0.00	-0.03	-0.01	0.01
Total Products[3]	177	158	162	147	146	148	143	156	0.04	0.20	-0.22	-0.13
Total [4]	431	398	406	382	393	390	383	396	0.25	0.15	-0.38	-0.05
Total												
Crude	872	840	830	824	842	875	858	843	0.45	-0.52	0.04	0.02
Gasoline	380	386	406	410	401	418	406	409	-0.19	-0.11	0.05	0.16
Middle Distillate	534	504	485	444	421	424	433	475	0.14	0.66	-0.54	-0.91
Residual Fuel Oil	167	162	160	151	146	169	161	159	0.05	0.08	-0.10	-0.17
Total Products[3]	1384	1342	1330	1266	1234	1299	1270	1329	0.17	0.88	-0.97	-1.19
Total [4]	2553	2459	2442	2365	2350	2469	2417	2465	0.75	0.40	-1.27	-1.20

OECD GOVERNMENT-CONTROLLED STOCKS[5] AND QUARTERLY STOCK CHANGES

	RECENT MONTHLY STOCKS[2] in Million Barrels					PRIOR YEARS' STOCKS[2] in Million Barrels			STOCK CHANGES[3] in mb/d			
	NOV95	DEC95	JAN96*	FEB96*	MAR96*	MAR93	MAR94	MAR95	Q295	Q395	Q495	Q196
North America												
Crude	592	592	592	592	589	578	590	592	0.00	0.00	0.00	-0.03
Europe												
Crude	132	132	132	132	132	130	129	132	-0.01	0.00	0.00	0.00
Products	126	127	125	124	124	131	126	132	-0.06	0.01	-0.01	-0.03
Pacific												
Crude	298	299	299	299	299	246	265	284	0.00	0.10	0.07	0.01
Total												
Crude	1021	1022	1023	1023	1020	954	984	1007	-0.01	0.10	0.07	-0.02
Products	126	127	125	124	124	131	126	132	-0.06	0.01	0.00	-0.03
Total [4]	1148	1149	1148	1147	1144	1085	1110	1139	-0.07	0.11	0.06	-0.05

* Estimated
1 Stocks are primary national territory stocks on land (excluding utility stocks and including pipeline and entrepot stocks where known). They include stocks held by industry to meet IEA, EU and national emergency reserve commitments and are subject to government control in emergencies.
2 Closing Stock levels.
3 Total products includes gasoline, middle distillates, fuel oil and other products.
4 Total includes NGLs, refinery feedstocks, additives/oxygenates and other hydrocarbons.
5 Includes government-owned stocks and stock holding organisation stocks held for emergency purposes.

Table 6

INDUSTRY STOCKS [1] ON LAND IN SELECTED OECD COUNTRIES

(million barrels)

	October			November			December			January			February		
	1994	1995	%	1994	1995	%	1994	1995	%	1995	1996	%	1995	1996	%
United States															
Crude	343.2	308.2	-10.2	346.3	316.9	-8.5	337.2	301.7	-10.5	328.4	303.0	-7.7	327.1	301.5	-7.8
Motor Gasoline	200.9	196.7	-2.1	218.3	195.5	-10.4	215.0	202.2	-6.0	227.1	212.2	-6.6	224.7	213.3	-5.0
Middle Distillate	197.2	177.3	-10.1	198.7	183.6	-7.6	198.9	176.6	-11.2	191.6	158.7	-17.2	170.9	136.7	-20.0
Residual Fuel Oil	43.1	37.9	-12.1	43.7	37.3	-14.6	41.9	36.8	-12.1	43.9	35.5	-19.1	36.2	31.5	-12.9
Other Products	145.3	152.9	5.3	141.0	141.7	0.5	132.6	128.6	-3.0	124.5	116.2	-6.7	117.2	108.4	-7.6
Total Products	586.4	564.8	-3.7	601.8	558.1	-7.3	588.3	544.3	-7.5	587.2	522.7	-11.0	549.0	489.9	-10.8
Other [2]	151.2	141.6	-6.4	147.3	135.6	-8.0	135.5	123.6	-8.8	134.1	123.9	-7.6	135.4	116.8	-13.7
Total	**1080.9**	**1014.6**	**-6.1**	**1095.4**	**1010.6**	**-7.7**	**1061.1**	**969.6**	**-8.6**	**1049.7**	**949.6**	**-9.5**	**1011.5**	**908.3**	**-10.2**
Japan															
Crude	137.3	151.7	10.5	140.2	153.4	9.5	142.2	147.5	3.7	144.9	147.3	1.6	132.4	138.2	4.4
Motor Gasoline	17.5	19.6	12.4	18.2	19.5	7.0	17.7	18.6	5.5	20.6	19.9	-3.7	20.6	20.4	-0.7
Middle Distillate	78.4	69.9	-10.9	76.6	66.1	-13.7	64.2	52.3	-18.6	60.3	50.7	-16.0	51.8	44.0	-15.0
Residual Fuel Oil	12.9	12.4	-4.2	12.4	12.5	0.8	13.5	11.6	-14.4	13.6	13.5	-0.6	13.2	12.8	-2.9
Other Products	57.3	53.7	-6.3	55.0	52.9	-4.4	53.5	49.4	-8.2	47.1	51.4	8.5	47.8	44.7	-7.4
Total Products	166.2	155.7	-6.3	162.2	151.0	-7.1	148.9	131.9	-11.6	141.7	135.5	-4.6	133.4	121.9	-8.8
Other [2]	79.5	75.9	-4.5	79.2	75.8	-4.4	77.3	67.9	-12.1	80.7	71.7	-11.1	78.6	71.0	-9.7
Total	**383.0**	**383.3**	**0.1**	**381.6**	**380.2**	**-0.5**	**368.4**	**347.3**	**-5.8**	**367.3**	**354.5**	**-3.5**	**344.3**	**331.1**	**-3.9**
Germany															
Crude	26.9	25.4	-5.6	26.5	23.9	-9.8	25.0	24.2	-3.2	25.4	22.3	-12.3	27.6	22.7	-17.9
Motor Gasoline	15.6	15.1	-3.4	16.5	14.6	-11.4	17.8	15.9	-10.8	19.1	18.3	-3.9	18.9	17.8	-5.7
Middle Distillate	28.5	29.2	2.2	30.2	23.6	-21.8	30.9	24.6	-20.2	31.2	24.4	-21.8	30.9	24.2	-21.7
Residual Fuel Oil	9.1	10.1	10.7	9.0	10.0	11.9	9.1	10.9	19.2	9.2	10.5	14.8	9.3	10.1	8.6
Other Products	11.9	11.6	-2.1	11.9	11.3	-4.9	11.9	12.3	3.4	12.0	12.6	4.9	12.5	12.2	-2.3
Total Products	65.1	66.0	1.3	67.5	59.6	-11.8	69.6	63.6	-8.6	71.4	65.9	-7.8	71.6	64.3	-10.1
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	**92.0**	**91.3**	**-0.7**	**94.0**	**83.5**	**-11.2**	**94.6**	**87.8**	**-7.2**	**96.8**	**88.1**	**-9.0**	**99.2**	**87.0**	**-12.3**
Italy															
Crude	41.4	45.4	9.6	37.8	43.9	16.2	44.1	41.0	-7.1	44.7	33.0	-26.2	39.1	34.4	-12.0
Motor Gasoline	20.5	19.5	-5.2	21.1	20.9	-1.1	21.2	21.3	0.6	23.3	22.8	-2.3	23.0	22.7	-1.2
Middle Distillate	33.5	34.5	2.8	34.5	31.5	-8.9	33.2	34.9	4.9	35.4	36.0	1.5	36.9	33.1	-10.3
Residual Fuel Oil	22.7	23.5	3.3	25.7	22.2	-13.7	24.6	22.6	-8.1	25.7	23.1	-9.9	25.0	23.0	-8.1
Other Products	7.8	9.5	21.9	8.3	7.7	-7.8	8.0	9.3	15.6	7.9	10.3	29.3	9.1	9.3	2.3
Total Products	84.5	86.9	2.7	89.7	82.2	-8.3	87.0	88.0	1.2	92.4	92.2	-0.2	94.0	88.1	-6.3
Other [2]	8.1	5.3	-34.4	6.5	5.0	-23.5	6.0	6.6	10.8	5.2	5.4	4.4	5.0	7.2	43.4
Total	**134.1**	**137.6**	**2.6**	**134.0**	**131.1**	**-2.2**	**137.1**	**135.6**	**-1.1**	**142.3**	**130.6**	**-8.2**	**138.1**	**129.7**	**-6.1**
France															
Crude	40.4	39.5	-2.3	40.4	41.6	3.0	39.5	38.2	-3.4	39.7	34.9	-12.2	41.4	37.0	-10.7
Motor Gasoline	23.2	21.1	-9.2	24.6	22.3	-9.5	23.1	24.1	4.2	25.9	25.4	-2.0	25.7	28.5	11.0
Middle Distillate	57.9	58.1	0.2	61.5	56.6	-8.0	56.9	56.9	0	55.3	54.2	-2.1	54.9	52.4	-4.5
Residual Fuel Oil	9.2	8.6	-6.2	7.9	7.7	-2.4	6.9	7.9	14.0	7.1	8.0	13.0	8.6	7.8	-8.6
Other Products	9.8	11.0	12.5	10.7	9.8	-8.8	9.7	9.7	0.6	9.3	9.2	-1.8	9.6	8.1	-16.1
Total Products	100.1	98.8	-1.3	104.8	96.5	-8.0	96.7	98.7	2.1	97.6	96.7	-0.9	98.8	96.9	-1.9
Other [2]	13.0	13.3	2.4	12.4	12.4	-0.1	11.6	12.9	11.8	11.9	13.5	13.7	13.2	13.0	-2.1
Total	**153.6**	**151.6**	**-1.3**	**157.6**	**150.5**	**-4.6**	**147.8**	**149.8**	**1.3**	**149.2**	**145.1**	**-2.8**	**153.5**	**146.9**	**-4.3**
United Kingdom															
Crude	33.5	32.3	-3.5	34.6	32.9	-4.7	37.6	30.2	-19.8	34.0	31.7	-6.9	36.4	32.2	-11.3
Motor Gasoline	17.0	16.2	-4.6	18.5	18.3	-0.9	17.2	16.9	-1.3	18.9	17.7	-6.3	17.3	16.2	-6.9
Middle Distillate	19.9	19.6	-1.4	20.1	19.6	-2.3	20.4	18.8	-8.1	20.9	17.8	-14.9	19.4	15.9	-18.2
Residual Fuel Oil	6.7	7.7	14.7	6.8	7.5	10.1	6.4	7.2	12.9	7.1	7.4	3.9	6.9	6.4	-6.3
Other Products	11.2	13.7	22.2	11.2	11.4	1.9	12.3	13.1	7.0	12.0	12.4	3.3	12.6	12.1	-3.8
Total Products	54.8	57.3	4.4	56.6	56.9	0.5	56.3	56.1	-0.4	59.0	55.3	-6.2	56.2	50.6	-10.0
Other [2]	15.7	16.0	2.1	14.9	14.9	0.1	15.2	14.9	-1.6	15.3	15.8	3.2	15.4	16.0	4.0
Total	**104.0**	**105.6**	**1.5**	**106.1**	**104.7**	**-1.2**	**109.0**	**101.1**	**-7.2**	**108.3**	**102.8**	**-5.1**	**107.9**	**98.8**	**-8.5**
Canada															
Crude	61.5	61.1	-0.6	59.4	61.6	3.6	60.5	56.0	-7.5	58.2	56.4	-3.2	59.9	56.4	-5.8
Motor Gasoline	16.9	20.3	20.5	18.2	19.3	5.9	19.9	18.6	-6.5	22.2	20.3	-8.4	22.6	20.3	-10.3
Middle Distillate	22.6	22.0	-2.5	24.8	22.3	-9.8	25.5	21.4	-16.1	27.4	21.9	-19.9	24.9	21.9	-12.1
Residual Fuel Oil	3.5	5.4	52.7	4.0	4.8	20.0	3.7	4.4	20.8	4.0	4.2	4.9	4.2	4.2	-1.2
Other Products	18.5	17.5	-5.6	17.6	18.1	2.8	16.9	17.6	4.5	18.3	17.4	-4.8	19.8	17.4	-11.9
Total Products	61.5	65.2	6.1	64.6	64.5	-0.1	66.0	62.1	-5.9	71.8	63.8	-11.2	71.5	63.8	-10.8
Other [2]	18.9	18.9	0.1	17.4	19.1	9.9	15.7	15.9	1.1	14.4	15.9	10.1	12.6	15.9	26.2
Total	**141.9**	**145.3**	**2.4**	**141.4**	**145.2**	**2.7**	**142.2**	**134.0**	**-5.8**	**144.4**	**136.1**	**-5.8**	**144.0**	**136.1**	**-5.5**

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 [4]		End March 1996 [3 4]	
	Stock [1] Level	Days Fwd [2] Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand
Canada	147.6	85	154.5	83	142.9	76	134.0	-	-	-
United States	1599.9	91	1608.5	91	1618.0	90	1561.2	-	-	-
NORTH AMERICA	1771.1	91	1786.8	90	1784.7	89	1718.9	85	1641.5	83
Australia	36.8	45	38.1	47	42.7	52	42.7	-	-	-
Japan	634.5	122	655.3	122	673.2	112	646.0	-	-	-
New Zealand	8.4	60	8.9	61	9.4	63	7.8	-	-	-
PACIFIC	679.7	110	702.4	111	725.3	104	696.4	94	692.2	111
Austria	17.0	75	18.2	81	16.9	70	16.9	-	-	-
Belgium	27.1	58	26.7	58	29.7	59	29.3	-	-	-
Denmark	25.3	116	25.7	119	27.4	116	26.2	-	-	-
Finland	21.9	126	23.1	105	23.1	104	23.1	-	-	-
France	147.5	81	161.2	86	157.6	81	155.3	-	-	-
Germany	306.7	106	303.2	104	303.5	108	303.3	-	-	-
Greece	22.9	70	24.1	69	22.6	55	21.7	-	-	-
Ireland	7.1	60	6.7	61	7.8	64	7.3	-	-	-
Italy	140.5	77	144.0	79	139.4	66	141.5	-	-	-
Luxembourg	0.9	24	0.9	27	0.8	23	0.8	-	-	-
Netherlands	107.3	134	106.8	135	116.5	146	107.0	-	-	-
Norway	40.7	208	42.2	231	45.1	248	48.6	-	-	-
Portugal	19.3	66	18.7	61	18.7	64	18.8	-	-	-
Spain	79.5	69	86.2	79	92.3	70	90.1	-	-	-
Sweden	29.8	94	31.7	104	32.8	90	31.9	-	-	-
Switzerland	23.1	87	28.3	103	28.9	104	26.5	-	-	-
Turkey	37.3	66	38.3	59	42.0	68	43.0	-	-	-
United Kingdom	100.1	56	97.5	55	104.4	56	101.1	-	-	-
EUROPE [5]	1153.8	86	1183.5	87	1209.4	84	1192.5	84	1160.5	85
Total	3604.6	92	3672.6	92	3719.4	90	3607.9	86	3494.2	88
DAYS OF IEA NET IMPORTS [6]	-	126	-	129	-	130	-	126	-	-

1 Stocks are primary national territory stocks on land (excluding utility stocks and including pipeline and entrepot stocks where known). They include stocks held by industry to meet IEA, EU and national emergency reserves commitments and are subject to government control in emergencies.
2 Note that days of forward demand represent the stock level divided by the forward quarter average daily demand and is very different from the days of net imports used in the IEA's Emergency Sharing System.
3 End March 1996 stock level based on preliminary data.
4 End December 1995 and 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	Companies	Total	Government [1] controlled	Companies
	Millions of Barrels			Days of Fwd. Demand [2]		
Q193	3554	1085	2469	95	29	66
Q293	3639	1089	2550	94	28	66
Q393	3709	1092	2617	92	27	65
Q493	3644	1101	2542	89	27	62
Q194	3527	1110	2417	91	29	62
Q294	3648	1111	2537	92	28	64
Q394	3743	1114	2628	92	27	64
Q494	3714	1125	2589	91	28	63
Q195	3605	1139	2465	92	29	63
Q295	3673	1133	2540	92	29	64
Q395	3719	1143	2576	90	28	62
Q495	3608	1149	2459	85	27	58
Q196	3494	1144	2350	88	29	59

1 Includes government-owned stocks and entity stocks held for emergency purposes.
2 Days of forward demand calculated using actual demand except in December 1995 and March 1996 (when latest forecast is used).

Table 8

AVERAGE IEA CIF CRUDE COST AND SPOT CRUDE AND PRODUCT PRICES

($/bbl)

	1993	1994	1995	1Q95	2Q95	3Q95	4Q95	1Q96	Nov95	Dec95	Jan96	Feb96	Mar96	Apr96
Crude Oil Prices														
IEA CIF Average Import	16.37	15.65	17.19	17.16	18.31	16.41	16.90	18.45*	16.63	17.64	18.23	18.06	19.05*	20.15*
FOB Spot														
Brent (Dated)	17.00	15.80	17.02	16.90	18.10	16.18	16.92	18.54	16.82	17.80	17.84	17.86	19.91	20.98
WTI (1st month)	18.44	17.19	18.41	18.36	19.33	17.83	18.12	19.64	18.00	18.92	18.80	18.86	21.27	23.59
Dubai (1st month)	14.93	14.75	16.10	16.31	16.96	15.31	15.83	16.43	15.68	16.95	16.49	15.84	16.96	17.66
Product Prices[1]														
Rotterdam														
Premium 0.15 g/l	22.45	20.18	21.25	20.04	23.65	20.81	20.50	21.18	21.36	20.23	20.20	20.57	22.77	26.37
Regular Unleaded	20.70	18.65	19.75	18.53	21.96	19.38	19.14	19.76	20.22	18.52	18.50	19.37	21.40	24.83
Naphtha	18.47	17.30	18.15	18.43	19.61	17.43	17.14	19.02	16.90	17.59	18.83	18.76	19.46	22.06
Jet/Kerosene	23.37	20.95	21.60	20.76	21.71	21.57	22.38	25.07	22.04	23.89	23.67	24.82	26.72	25.51
Gasoil	22.28	19.80	20.47	19.35	21.02	20.49	21.04	23.97	20.77	22.45	22.27	24.63	25.02	24.94
Fuel Oil 1.0%S	13.50	14.00	15.76	16.96	16.99	13.69	15.39	17.20	14.80	16.99	17.59	16.76	17.26	18.17
Fuel Oil 3.5%S	10.22	13.01	14.82	16.39	15.76	12.97	14.16	15.66	13.36	15.93	15.75	14.78	16.46	17.60
Gross Product Worth[2]	20.27	18.46	19.41	18.71	20.56	18.96	19.42	21.29	19.49	20.25	20.23	21.18	22.46	23.53
NY Harbour														
Super Unleaded 93	23.69	23.65	24.81	23.07	27.67	24.73	23.78	24.35	22.96	26.36	23.47	24.05	25.52	28.58
Regular Unleaded 87	21.58	20.54	22.57	21.34	25.29	22.38	21.29	22.65	21.17	22.19	21.16	22.24	24.57	27.44
Jet/Kerosene	23.33	22.20	21.76	20.13	21.76	21.78	23.37	26.27	23.02	24.86	24.83	25.48	28.49	29.78
No.2 (Heating Oil)	22.04	20.68	20.72	19.79	20.61	20.41	22.08	25.21	21.75	23.98	23.20	25.50	26.94	27.89
Fuel Oil 1.0%S	14.63	15.05	16.06	16.25	17.03	14.71	16.24	19.36	15.63	18.42	21.84	17.61	18.62	19.95
Fuel Oil 3.0%S	11.21	12.25	14.47	15.12	16.10	12.82	13.85	14.94	13.31	15.18	15.48	14.71	14.63	15.82
Gross Product Worth[3]	20.16	19.04	19.94	18.99	22.27	19.28	19.22	21.40	19.03	20.16	20.31	20.94	22.95	25.39
Singapore														
Gasoline[4]	24.01	21.10	22.11	21.64	23.05	22.30	21.47	21.61	22.26	21.83	20.77	20.64	23.41	25.14
Naphtha	17.22	16.34	17.54	18.25	18.96	16.69	16.26	17.51	15.94	17.03	17.51	16.66	18.36	20.39
Jet/Kerosene	24.42	21.74	22.72	22.30	22.35	21.13	25.10	28.68	24.71	27.80	30.50	28.21	27.34	26.19
Gasoil	24.02	20.87	21.60	21.24	22.47	20.63	22.08	25.87	21.92	23.86	25.17	26.58	25.86	25.56
LSWR (0.3%S)[6]	14.90	13.58	14.74	14.09	15.43	13.80	15.64	16.20	15.29	16.68	16.55	15.92	16.15	17.31
HSFO (3.5%S 180cst)	11.83	13.17	14.98	15.81	15.81	13.14	15.18	17.15	14.91	16.85	17.87	16.78	16.79	17.37
Gross Product Worth[5]	17.17	16.29	17.42	17.49	17.98	16.30	17.91	20.05	17.62	19.49	20.57	19.77	19.82	20.24

* = 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 form 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 PRODUCTS[1]
April 1996

	National Currency						US Dollars					
			% ch Prev. Month		% ch Year Ago				% ch Prev. Month		% ch Year Ago	
	Price	Tax	Price	Excl. Tax	Price	Excl. Tax	Price	Excl. Tax	Price	Excl. Tax	Price	Excl. Tax
GASOLINE[2] Price per Litre												
France	6.230	5.054	2.1	10.3	7.4	15.7	1.222	0.231	1.4	9.5	2.1	10.0
Germany	1.574	1.185	2.7	10.5	3.0	11.8	1.042	0.258	0.6	8.2	-5.8	2.2
Italy	1912	1417	2.1	7.1	2.3	7.9	1.221	0.316	2.3	7.3	11.9	18.0
Spain	117.5	81.0	2.2	6.3	2.6	1.1	0.937	0.291	1.4	5.4	1.7	0.2
UK	0.599	0.480	1.5	6.3	-1.0	-23.4	0.909	0.179	0.8	5.5	-6.6	-27.7
Japan	105	57	0.0	0.0	-6.2	-12.5	0.994	0.455	0.0	0.0	-25.8	-30.9
Canada	0.587	0.287	6.5	12.8	6.3	10.7	0.432	0.221	6.7	12.9	7.7	12.1
USA[3]	0.331	0.101	7.8	11.7	10.0	15.0	0.331	0.230	7.8	11.7	10.0	15.0
AUTOMOTIVE DIESEL[4] Price per Litre												
France	3.552	2.292	2.0	5.9	10.7	20.0	0.697	0.247	1.3	5.2	5.3	14.1
Germany	1.083	0.620	2.6	6.2	8.7	23.1	0.717	0.307	0.4	3.9	-0.6	12.6
Italy	1155.46	747.47	-3.0	-8.1	0.7	2.1	0.738	0.261	-2.9	-8.0	10.2	11.7
Spain	76.99	43.20	2.0	4.7	8.9	16.6	0.614	0.269	1.2	3.9	7.9	15.5
UK	0.476	0.343	1.7	6.4	1.7	-14.2	0.722	0.202	0.9	5.6	-4.0	-19.0
Japan	73	34	2.8	5.4	-1.2	-2.3	0.691	0.369	2.8	5.4	-21.9	-22.7
Canada	0.523	0.213	2.3	3.7	2.8	4.4	0.385	0.228	2.5	3.8	4.0	5.7
USA	..	..	..	..	..	..	..	..	..	..	..	..
DOMESTIC HEATING OIL Price per 1000 Litres												
France	2211.7	881.7	5.1	7.3	11.6	13.2	433.8	260.9	4.4	6.5	6.1	7.6
Germany	511.4	146.7	10.3	12.8	24.1	31.0	338.7	241.5	7.9	10.4	13.5	19.9
Italy	1375000	967010	1.9	5.4	3.9	11.7	878.1	260.5	2.0	5.6	13.6	22.2
Spain	43065	18540	1.5	2.3	4.8	5.6	343.3	195.5	0.7	1.4	3.8	4.6
UK	169.89	35.88	4.4	5.2	22.0	24.6	257.8	203.4	3.6	4.4	15.1	17.6
Japan[5]	41406	1206	2.8	2.8	-2.2	-2.2	391.6	380.2	2.8	2.8	-22.7	-22.7
Canada	372.0	31.0	0.0	0.0	-0.8	-0.6	273.7	250.9	0.1	0.1	0.4	0.7
USA[6]	269.5	..	1.9	..	12.6	..	269.5	..	1.9	..	12.6	..
HFO FOR INDUSTRY[4], [7] Price per Metric Ton												
France	805.0	156.9	2.3	2.9	11.2	13.7	157.9	127.1	1.58	2.15	5.71	8.14
Germany	232.0	30.0	8.0	9.3	3.6	4.1	153.6	133.8	5.72	6.99	-5.28	-4.77
Italy	303640	45000	6.2	7.3	4.4	5.2	193.9	165.2	6.36	7.51	14.18	15.06
Spain	21594	2150	3.2	3.5	8.4	9.0	172.1	155.0	2.33	2.69	7.40	7.97
UK	98.48	18.20	2.9	3.6	5.6	4.9	149.4	121.8	2.12	2.80	-0.29	-0.98
Japan	18432	537	0.0	0.0	6.3	6.3	174.3	169.2	0.03	0.03	-16.00	-16.00
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's data
7 High sulphur fuel oil price for France, Spain, UK and Japan; low sulphur fuel oil price for Germany and Italy

Sources and Use of Data and Geographical Definitions

Supply, Demand, Stock and Refinery Activity Data

The historical data in this Report are submitted in the monthly oil and gas statistics questionnaire returned by 24 OECD countries consisting of the 23 Member countries of the International Energy Agency (IEA) and Iceland. 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 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.