

# OPEC

Organization of the Petroleum Exporting Countries



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## Monthly Oil Market Report

### OPEC Basket average price

*US \$ per barrel*

Down 0.15 in June

<b>June</b>	<b>26.10</b>
May	26.25
Year-to-date	25.00

### June OPEC production

*million barrels per day, according to secondary sources*

Algeria	0.84	Kuwait	2.02	Saudi Arabia	7.97
Indonesia	1.22	SP Libyan AJ	1.37	UAE	2.13
IR Iran	3.66	Nigeria	2.09	Venezuela	2.83
Iraq	1.00	Qatar	0.69		

### Supply and demand

*million barrels per day*

#### **2000**

World demand	75.7
Non-OPEC supply	48.7
<b>Difference</b>	<b>27.0</b>

#### **2001**

World demand	76.5
Non-OPEC supply	49.2
<b>Difference</b>	<b>27.3</b>

### Stocks

Moderate seasonal stock-build in USA in June

### World economy

World GDP growth estimate revised down to 2.8% for 2001

## July 2001

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116th OPEC  
Conference**

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**Opening address**

*to the*

**116th (Extraordinary) Meeting of the OPEC Conference**

*by*

**His Excellency Dr Chakib Khelil**

**President of the Conference**

*and*

**Minister of Energy and Mines, Algeria**

Excellencies, ladies and gentlemen,

Welcome to the 116th Extraordinary Meeting of the OPEC Conference. One month ago, we decided to convene today's Meeting to review the market situation and any adjustments to our production agreement. Also one month ago, most observers considered there was a shortage of supply, which would have resulted in unsustainably high prices, and they were then talking about a need to increase supply. Since then, though, there has been a marked slowdown in the US and European economies and a strengthening of crude oil and gasoline stocks, and forecasts of weaker demand for crude oil for the fourth quarter 2001. We shall watch the situation closely in the coming weeks in the light of these developments.

Our thoughts are focused today on the evolution of the market from now until our next Ordinary Meeting on 26 September. Let me restate our aims: **the first** is to ensure that world demand for crude is satisfied without fail; **the second** is to stabilise the market at a fair price of around \$25/b; and **the third** is to build consensus, harmony and discipline within the Organization, cooperation with non-OPEC oil producers, and continuous dialogue with our clients. Because of our concern for meeting the needs of

our clients, the consuming countries, at a reasonable price with minimum volatility, oil has always underpinned sustainable economic growth. The rate of growth and inflation in consuming countries are, on the other hand, determined mainly by fiscal and monetary policies, which are outside the control of OPEC.

Also, the level of prices of petroleum products for consumers lies beyond the control of our Organization, because of the high level of taxes imposed on these products by the consuming countries. In many industrialised countries, excessive levels of taxation result in consuming governments receiving four times the revenue of oil producers. In the USA, there are other constraining factors, principally a shortage of refinery capacity, stringent product specifications, transport problems, such as an inadequate pipeline structure, and just-in-time stock-management policies.

In three weeks' time, "COP6" — the Sixth Conference of the Parties to the United Nations Framework Convention on Climate Change — is to be reconvened in Bonn. In attendance will be officials from both OPEC's Secretariat and individual Member Countries. We all want a cleaner, safer and environmentally harmonious world. OPEC will continue to press home its case, to ensure that the interests of fossil fuel producers are properly represented in the UN-sponsored negotiations. As we have repeatedly stated, if the Kyoto Protocol were to be applied to the letter, this would result in huge financial losses for oil-producing nations.

As we have seen over the past few years, there has been a growing conviction within the oil industry that progress is best achieved in a spirit of consensus and harmony. OPEC and non-OPEC producers, the oil industry itself and, to an increasing degree, leading consuming nations have come to recognise the wisdom of adopting a cooperative, rather than confrontational, approach to meeting the industry's challenges and building for the future. We maintain, in OPEC, that this can only work in the interest of the oil industry, the global economy and our clients, the consuming nations.

Thank you.

\* \* \*

## HIGHLIGHTS OF THE WORLD ECONOMY

### Economic growth rates 2001

%

World	G-7	USA	Japan	Germany
2.8	1.3	1.1	-0.2	1.7

#### *Industrialised countries*

**Outlook for USA brightens, despite rising unemployment, but weakens further for Germany and Japan**

US unemployment is edging higher, but the NAPM index of manufacturing activity has registered a rise and consumer spending figures remain healthy. In the euro-zone, Maastricht's budget deficit targets appear difficult to reach, amid slowing growth. Germany's DIW research institute has revised down the country's GDP growth forecast this year to 1%, from 2.1%. Japanese gloom deepens, as government reforms are widely expected to cause an economic contraction, if implemented without fiscal expansion.

**US unemployment edges higher, as spending remains driving force against slowdown**

#### *United States of America*

The US unemployment rate rose to 4.5% in June from 4.4% in May, as the economy lost 114,000 jobs — well above the forecast loss of 40,000. The manufacturing sector continued to bear the brunt of the slowdown, cutting 113,000 jobs, its 11th consecutive month of job losses. The service sector finally began to show signs of weakness, after months of relative strength, losing 6,000 jobs. Average hours worked remained steady in June, at 34.3 hours per week. Workers' wages grew by 0.3% to \$14.29 an hour in June from \$14.25 in May, meaning inflation was being kept largely in check. The National Association of Purchasing Management's (NAPM) index of manufacturing activity, the Purchasing Managers Index, rose to 44.7 in June from 42.1 in May, while the University of Michigan's final June consumer sentiment index, which measures consumer attitudes about the economy, rose to 92.6 in June from 92.0 in May. Consumer spending — which fuels about two-thirds of the nation's economy — rose by \$32.1 billion, or 0.5%, in May, after a revised 0.5% gain in April. US income edged up \$18.2 bn, or 0.2%, in May, after rising 0.2% in April. Personal savings, as a percentage of disposable income, hit a rate of -1.3%, matching January's record monthly low. The rate in April was revised to -1.0%. So far, the Federal Reserve Board's (Fed's) efforts seem to have worked. In a report on first-quarter GDP, the Commerce Department said consumer spending grew at a healthy 3.4% in the quarter, lifting the otherwise anaemic 1.2% overall GDP growth. In May, spending on durables rose by 1.2% — the strongest showing since February. Spending on non-durables, such as clothes and food, went up by 0.5% in May, down from April's 1% increase. Spending on services grew by 0.3% for the second month in a row. None of the spending figures is adjusted for inflation. The chained index for personal consumption expenditure rose by only 0.1% in May. Excluding food and energy prices, it actually slipped 0.1%. Factory orders rose by 2.5% in May, following April's 3.4% decline.

**Outlook has worsened for Japan as uncertainty remains over government's reform path**

#### *Japan*

The gloomy outlook for the Japanese economy has not lifted, with increasing uncertainty about the economic implications of the proposed reforms. The government announced guidelines on structural reforms on 21 June, but has also committed itself to avoiding severe economic contraction and the ensuing rise in unemployment, while tackling the bad debt problem. This implies, despite announcements to the contrary, that the government may have to resort to a supplementary budget this autumn and revise its aim of keeping new Japanese Government Bond (JGB) issuance in FY 2002 to within ¥30 trillion. On the monetary side, the Bank of Japan (BoJ) has so far resisted increasing pressure to ease its already loose monetary policy further. Meanwhile, economic indicators remain generally bearish. In May, industrial production fell by 3.9%, the unemployment rate rose to 4.9%, matching the record level set at the beginning of the year, and spending by wage-earners' households fell by 2.9% in real terms, the second straight monthly fall. However, corporate private machinery orders declined by a modest 2.1%, a smaller drop than anticipated. Core orders, although very volatile, are generally considered a key gauge of capital-spending six months into the future. Moreover, the June "Tankan" report indicated that major corporations would reduce capital expenditure by 1.3% in FY 2001, less negative than the forecast cut in the March report. However, a BoJ survey reported that business sentiment worsened in the second quarter. Business confidence among large manufacturers fell to -16 from -5 in the previous quarter. The

**Fiscal problems in euro-zone, as budget forecasts revised due to slowdown**

rising pessimism reflected the fall in Japanese exports, as the global slowdown in the USA and Europe began to bite. Bank-lending continued its downward trend, falling in June for the 42nd consecutive month, by 3.8%, but money supply posted its biggest year-on-year rise in 20 months in the same month.

*Euro-zone*

Italy, Germany, France and Portugal are all coming under scrutiny, with regard to their ability to achieve budgetary targets, because the economic slowdown has crimped tax revenue. Italy's Prometeia research institute revised its estimate for the country's 2001 budget deficit to 1.5% of GDP from 1.3% previously, and compared with an official 0.8% target. Germany's DIW economic research institute said it believed the euro-zone's largest economy would run a 2.1% GDP deficit this year, well over its 1.5% target. Revising down its forecast for German GDP growth to just 1.0% from 2.1%, DIW called on the European Central Bank to cut its key refinancing rate by two points to 2.5%, as part of a four-part plan to boost the region's economy. DIW predicted euro-zone growth of 1.9% this year. The impact of slower growth has made it harder for euro-zone countries to narrow the gap between spending and income. Deficit targets set earlier this year, when the euro-zone hoped it would be insulated from the weak US economy, have become far more difficult to meet. Peer pressure and even steep fines can be applied to encourage countries to keep to budget deficit targets agreed under the European Union's (EU's) broad economic policy guidelines.

**Russian economic growth higher than expected; industrial growth slows, but private consumption is on the rise**

*Former Soviet Union*

In mid-June, Russian GDP was revised up to 5.4% for 1999 and to 8.3% for 2000, thanks to a new base-year calculation using 1998 prices instead of 1995 ones. Hence, Goskomstat reported high GDP growth of 4.9% for the first quarter, while the Economics Ministry has forecast 5.5% growth for the whole year. The Russian economy's brisk performance, albeit slower than last year, reflects increasing domestic consumption as incomes rise, as well as a strong external sector, with oil prices continuing to provide major support to the economy. Retail sales rose by 10% year-on-year (y-o-y) in January-May. Industrial production grew by a revised 5.9% in the same period, from 12% last year, and growth in fixed investment slowed to 4% from 16% last year. Inflation eased slightly to a monthly 1.6% in June, down from 1.8% in May, implying an estimated annual rate of 23.7%, below May's 25%. Russia registered a US \$18 bn trade surplus through April, slightly lower than last year's equivalent figure. Import growth accelerated to 15%, while exports rose by a more moderate 6%. As a result, the level of foreign exchange and gold reserves reached a new record of \$35.1 bn by the end of June. Tax compliance has improved considerably, especially after the introduction of the 13% flat income tax in January. The solid fiscal performance thus reflects the improved tax compliance, as well as the higher oil revenue. Tax reforms are progressing, with the government submitting to the Duma a set of amendments to the corporate profit tax that aims to reduce the tax rate from 35% to 25%. Coming after the January cut in personal income tax to 13%, this is part of a sweeping tax reform process aimed at simplifying Russia's tax regime and encouraging tax adherence. Separately, Russia's natural resources minister has suspended the granting of licenses for developing oil and gas fields from 25 June for an indefinite period.

**Healthy growth in Eastern Europe, despite global slowdown**

*Eastern Europe*

Bulgarian gross foreign debt fell by US \$347 million in the first five months of the year to \$10 bn at the end of May. In this period, foreign debt service payments amounted to \$695m, of which \$439m were principal payments. At the same time, Bulgaria received \$383m in new funds. It is expected that Bulgaria's external debt-to-GDP ratio will continue to decline for the rest of the year. Hungary's central government's deficit reached HUF 84.2 bn and the public sector deficit HUF 145.9 bn in the first half of the year. Both numbers are comfortably within their respective annual targets (17.5% and 29.6% of the target). The government's fiscal performance has been very good so far this year, but concern remains that the government is likely to step up spending in the months before the parliamentary elections. The National Bank of Hungary raised its base rate from 11.00% to 11.25%, matching it with its benchmark two-week deposit rate. The Ministry of Finance said that it still expected GDP growth to reach 5% this year, despite the negative impact of the stronger forint on international competitiveness. The economy is expected to expand by 4.8% this year, as recovering domestic demand compensates for the slowdown in exports on the back of the weaker EU growth outlook. In Poland, the zloty strengthened to around PLN/US \$4.24, due to positive budget news. However, fears over indecisive budgetary stability remain, due to the tense situation between the government and opposition.

**Asia's growth still broadly correlated to state of US and Japanese economies. Brazil acts to protect real, while modest fall in African debt**

***Developing countries***

Asia's economic growth is still expected to decelerate in the second half of this year, as a reflection of the slower growth in the major trading partner countries, the USA and Japan. Although China's real GDP rose in the first quarter of 2001 by 8.1% y-o-y, average growth for the whole year is forecast at 6.9%, compared with 8% last year, due to slower growth in merchandise export volumes. Separately, China is expected to be a member of the World Trade Organization by the end of 2001. On the heels of government measures initiated in June, Brazil's Central Bank has announced that it will use up to \$10.8 bn in new funding to intervene in the currency market to protect the real (which has declined by 21%), boost foreign reserves and control inflation. Other Brazilian measures include tax breaks to boost exports and an extension of its financial transaction tax until the end of 2003. In Africa, as the impact of the Heavily Indebted Poor Countries (HIPC) debt initiative begins to be felt, some analysts expect to see a modest fall in the overall debt burden, from \$203.7 bn in 2000 to \$195 bn in 2002, and in the debt-service ratio, from 12.9% in 2000 to 10.7% in 2002. Debt will also rise modestly, from \$59.9 bn in 2000 to \$60.9 bn in 2002, in Central and West Africa, because only two countries in the region, the Gambia and Mauritania, have been accepted for the HIPC initiative.

**Ambitious industrial expansion plans in several OPEC Member Countries**

***OPEC Member Countries***

The Islamic Republic of Iran in June unveiled its long-awaited national car, on the way to establishing itself as the leading vehicle-manufacturer in the Middle East. Production of the car, to go on sale in September, is targeted to reach 100,000 units/year by 2003. Saudi Arabia's Aziz Corporation has signed a deal with a European firm to build a \$100m plant to manufacture pipes to carry oil and gas. This plant will be the second biggest in the world, and its pipes are aimed at local and export markets, the official Saudi media says. According to a letter of intent signed by the two parties, Qatar Petroleum (QP) and Exxon Mobil are to conduct a technical feasibility study for a \$1-plus bn gas-to-liquids plant, as one of the North Field gas subsidiaries. Also, QP and South Africa's Sasol have agreed to form a joint venture for a similar plant, worth \$800m, that will convert gas into synthetic fuel; it is expected to come on stream in 2005.

**Dollar appreciation compensates for slight fall in nominal Basket price**

***Oil price, US dollar and inflation***

The US dollar rose against all the currencies in the Geneva I + US basket in June, in particular against the Swedish krona and the euro. The Japanese yen fell by 0.39% to average 122.14¥/\$ from 121.67¥/\$ in May, while the German mark fell by 2.50% to 2.292DM/\$ from 2.236DM/\$ in May.

The euro continued to lose ground in June, approaching the all-time October lows of last year and dipping to intra-day lows for 2001 of \$0.8413 on 11 June, before recovering to \$0.8625 three days later and falling back to \$0.8448 by the end of the month. Complaints by US industry about the negative effects on US exports of the Treasury's strong dollar policy acted as a catalyst to boost the euro temporarily. However, the steady stream of negative economic data from the euro-zone, particularly from Germany, coupled with positive data from the USA on consumer confidence, new home sales and durable goods orders, dampened the euro's rally. The Fed's 25 basis point cut on 26 June, initially ignored by markets, was interpreted belatedly as a sign of confidence in the US economy. The yen was dealt a blow with the announcement on 11 June that Japan's first-quarter GDP had contracted; it fell from 119 at the start of June to almost 125 at end. The negative sentiment was reflected in the downward assessment of the Japanese economy in the BoJ's monthly report, pointing to the problematic economic adjustment amid continuing sharp declines in exports. Sterling posted a 15-year low against the dollar in the second week of June, but recovered subsequently on mounting awareness that UK entry into the euro-zone is further away than initially perceived.

The OPEC spot Reference Basket fell by \$0.15/b, or 0.58%, in June to \$26.10/b, from \$26.25/b in May. In real terms (base July 1990 = 100), after accounting for inflation and currency fluctuations, the Basket price rose by 0.81% to \$24.75/b, from \$24.56/b, as the dollar appreciation more than compensated for the fall in nominal prices and erosion through inflation. Measured by the import-weighted Geneva I + US dollar basket, the dollar gained 1.70%, while inflation amounted to an estimated 0.30% in June.

\* The 'Geneva I + US dollar' basket includes eight leading European currencies and the Japanese yen and the US dollar, weighted according to the merchandise imports of OPEC MCs from the countries in the basket.

## CRUDE OIL PRICE MOVEMENTS

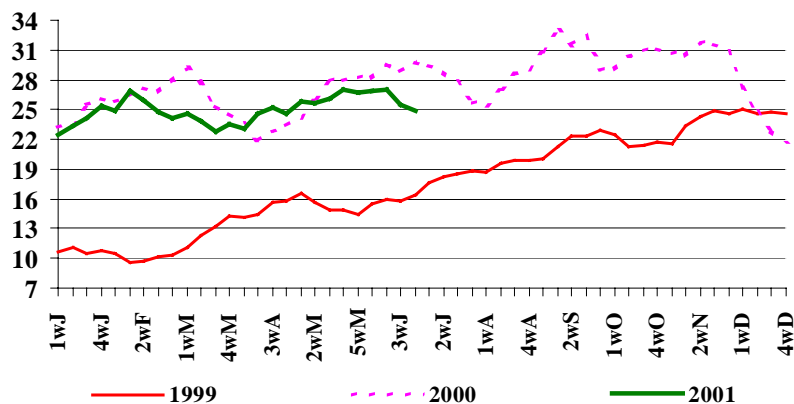
**Monthly average of OPEC Reference Basket slid by \$0.15/b to average \$26.10/b in June**

**General trends**

After peaking in May, the monthly average price of the OPEC spot Reference Basket weakened slightly in June, by \$0.15/b to reach \$26.10/b. All the Basket's components registered decreases, with the exception of Dubai and Arabian Light, which gained \$0.46/b and \$0.40/b respectively. Of the remaining five crudes, Saharan Blend and Minas posted the smallest losses, retreating by \$0.31/b and \$0.35/b respectively, followed closely by Isthmus, whose monthly average slid by \$0.37/b, with respect to the May figure. Finally, Brent-related Bonny Light and Tia Juana Light accumulated the biggest losses, finishing \$0.45/b and \$0.47/b down respectively.

The average weekly price of the Basket firmed during the first half of the month, achieving its highest weekly average for 2001 during the second week, when it reached \$27.06/b. However, during the second half of the month, the Basket lost ground, averaging \$25.58/b for the third week and declining further in the fourth, closing at \$24.94/b. Earlier in the month, the market had drawn support from OPEC's decision to maintain existing output levels and from the interruption of Iraq's exports, involving approximately 2.0–2.2 mb/d in the dispute with the United Nations over the proposal to introduce a new sanctions regime. Prices strengthened further during the second week, amid increased concern over the fate of the lost Iraqi volumes, which constituted approximately 5% of the total crude oil trade, and the bearish US stock statistics released by the American Petroleum Institute (API), which showed a huge 13.2 mb/d drop in crude oil stocks. This sharp decline was attributed to a tropical storm that delayed the discharging of many tankers in the US Gulf Coast. International benchmark crudes plummeted during the third week, with dated Brent losing more than \$2/b and triggering the fall in the market. Crude prices came under tremendous pressure from speculation that Iraq's exports could be resumed if the "oil-for-food" programme was extended by the UN. Crude prices continued to decrease, on the release of bearish product inventory data by the API. The report showed a larger-than-anticipated build in gasoline stocks, which caused the gasoline futures contract to dive, taking crude prices along for the ride. Towards the end of the month, the Basket slid further, once again reacting to the Iraq-UN dispute over the "oil-for-food" programme and bearish weekly API stock figures. The highlight of the weekly API report, which played down market psychology, was the build in gasoline inventories for the tenth consecutive week, despite the pick-up in seasonal demand.

**Graph 1**  
**OPEC Reference Basket — weekly spot crude prices**  
*US \$/b*



**Crude prices softened in USA in June, in response to rising product stocks**

**Sweet grades in Far East came under pressure from poor refiners' margins in June, while healthy demand supported sour crudes**

***US and European markets***

Rising US gasoline stocks weakened crude oil prices in June. API statistics for the four weeks of the month showed a build in gasoline inventories in the range of 3–6 mb. Sour grades firmed in the US market, as a result of the decrease in supplies caused by the suspension of Iraqi exports. Light sweet grades came under pressure from falling product prices and the subsequent weakness in refiners' margins. The relative strength of the Brent market, combined with the weakness in WTI, kept the arbitrage window closed for the whole of June. In Europe, dated Brent was supported later in the month by the continued buying of one European major, which picked up cargoes at premiums to the August IP Brent contract of \$0.35–0.65/b. High crude prices, combined with weak refiners' margins, which were pushed lower by relatively low product prices, kept European refiners sidelined.

***Far Eastern markets***

The sweet crude oil Asian market was characterized by a lack of firm demand created by uncertainty over regional refiners' margins. Japanese utilities were unlikely to ramp up demand for naphtha-rich grades, in the face of weak refiners' margins. Availability of light sweet cargoes of Griffin and Australian Cossack, among others, kept refiners relaxed and prices under pressure. Meanwhile, Chinese refiners, facing depressed demand in the domestic market, reversed roles and turned into net exporters, adding to the bearish market sentiment. In contrast, healthy demand for sour grades provided support for prices. Oman, which was traded at a premium to the Ministry for Oil and Gas for Oman for most of the month, however, slipped into negative territory, after traditional Oman buyers (China and South Korea) had turned into sellers.

**Table 1**  
**Monthly average spot quotations for OPEC's Reference Basket**  
**and selected crudes**  
*US \$/b*

	<b>Year-to-date average</b>			
	<u>May</u>	<u>June</u>	<u>2000</u>	<u>2001</u>
<b>Reference Basket</b>	26.25	<b>26.10</b>	<b>26.24</b>	<b>25.00</b>
Arabian Light	25.77	<b>26.17</b>	25.64	24.48
Dubai	25.40	<b>25.86</b>	24.72	24.36
Bonny Light	28.51	<b>28.06</b>	27.08	26.56
Saharan Blend	28.47	<b>28.16</b>	27.28	26.87
Minas	28.21	<b>27.86</b>	27.02	26.47
Tia Juana Light	22.77	<b>22.30</b>	25.27	22.21
Isthmus	24.62	<b>24.25</b>	26.69	24.02
<b>Other crudes</b>				
Brent	28.35	<b>27.96</b>	26.81	26.54
WTI	28.60	<b>27.67</b>	28.85	28.36
<b>Differentials</b>				
WTI/Brent	0.25	-0.29	2.04	1.82
Brent/Dubai	2.95	2.10	2.09	2.18

## PRODUCT MARKETS AND REFINERY OPERATIONS

**US refinery utilization rate stood at 96.10% in June, producing record gasoline supply, which, together with robust imports, caused price collapse; consequently, refiners' margins deteriorated**

**Gasoline price plummeted in Rotterdam in June, following weaker US gasoline markets. Poor refiners' margins forced refiners to reduce throughput; hence refinery utilization fell to 85.82%**

After reaching new peaks in April, US gasoline prices fell for the second successive month in June, on the back of abundant supply. This had a rapid downward influence on leading gasoline markets in other world refining centres, despite sustained discretionary refinery run cuts in Europe and Asia. Refiners' margins deteriorated, jumping into negative territory in all markets.

### *US Gulf market*

In spite of the robust driving season demand in June, the gasoline price fell by a substantial \$8.31/b to \$30.48/b, the lowest level for five months and slightly above the December 2000 value, which was then caused by a combination of collapsing crude markets and the usual receding demand. Steep declines in the gasoline market during the month, on the back of gasoline stockbuilds, which rose to comfortable levels, were based on a number of developments. First, US refineries had become well equipped to meet stricter summer standards, after they had carried out some modifications during turnarounds early this year, based on the experience gained last summer in tackling new specifications. In other words, the country's refiners were able to meet internal market requirements, provided that there were no major operating problems in plants or logistic systems, with the arbitrage window open only to Latin American cargoes — since higher gasoline prices in Europe and different material specifications in Asia, on top of lower gasoline-to-crude differential prices, led to much weaker activity in arbitrage trading. Secondly, there was an increased number of independent refiners who signed deals with Unocal to use its patent for reformulated gasoline (RFG) production, despite the majors still being opposed to such a movement. Thirdly, there were start-ups of a number of new gasoline-producing units. And finally, the Environmental Protection Agency relaxed the range of light materials to be utilized in the RFG pool in the Mid-west region. All these factors contributed to boosting gasoline supply to record levels that outpaced demand. Gasoil markets exhibited different trends throughout June, switching from contango to backwardation around the middle of the month, due to shortcovering by traders, and then returning to the contango status to finish \$0.42/b lower. This would encourage the early stockpiling of heating oil, especially after the gasoline shortage had dissipated. The fuel oil price rose by \$0.80/b, supported by decent Mexican demand, amid the prospect of higher imports in the near future.

US refiners' margins fell steadily during June, switching from positive values in the first half of the month to negative ones in the second, affected to a large extent by the fact that the gasoline price collapsed at a much faster rate than the weaker benchmark crudes, e.g. the WTI margin stood at -\$0.24/b.

Decent refiners' margins in early June induced refiners to increase throughput to 15.89 mb/d, the highest level since July 2000. The refinery utilization rate, therefore, rose to 96.10%.

### *Rotterdam market*

During June, the gasoline price plunged by \$7.36/b, affected by falling US gasoline markets, together with weak European demand. Despite the tightened distillate market, as a result of sustained refinery run cuts and dwindling Russian supply in the expectation of a lower rail tariff in July, gasoil lost \$0.12/b, amid rising regional stocks related to ebbing demand. Nonetheless, the market looked bullish, on the back of anticipated German demand. Fuel oil lost \$0.26/b, undermined by a lack of exports and lower arbitrage activity, following sizeable losses in the US gasoline market; this was despite the tight market in the second part of the month, related to hydrogen sulphide contamination of Russian cargoes.

The significant decline in gasoline prices hampered refiners' margins and these shifted into negative territory, the margin for Brent equalling -\$2.29/b.

Refinery throughput in the Eur-16 (EU plus Norway) countries in June fell by a further 0.47 mb to 11.71 mb/d, reflecting continued discretionary run cuts, in response to poor refiners' margins. The utilization rate was 85.82%, the lowest level for two months.

**Product prices fell in Singapore in June, with particular severity for gasoline, affected largely by ebbing demand**

**Singapore market**

In June, although Asian-operated refinery run cuts were extended to include Chinese plants, on top of ongoing seasonal refinery turnarounds in Japan and South Korea, sluggish regional demand, combined with a lack of exports, weighed heavily on product prices. Gasoline plummeted by \$5.75/b, as the much weaker US gasoline market translated into plentiful regional supply. Gasoil decreased by \$0.79/b, largely on weaker Indonesian demand that resulted from higher industrial inventories and a hike in consumer prices, as of 15 June. Fuel oil shrugged off Dubai's moderate gains and fell by \$1.90/b, under pressure from the arrival of many foreign cargoes, creating a well-supplied market, and hence switched into contango.

Declining product prices, coupled with sustained growth in the Dubai market, sent refiners' margins deep into negative territory.

In May, refinery throughput in Japan fell heavily, by 0.63 mb to 3.63 mb/d, in line with seasonal maintenance programmes. Consequently, the utilization rate was 73.1%, which was 0.2 percentage points higher than the one witnessed last year.

**Table 2**  
**Refined product prices**  
*US \$/b*

		<u>Apr.01</u>	<u>May01</u>	<u>Jun.01</u>	<u>Change Jun./May</u>
<b>US Gulf</b>					
Regular gasoline	<i>(unleaded)</i>	42.03	38.79	<b>30.48</b>	-8.31
Gasoil	<i>(0.2%S)</i>	30.93	31.65	<b>31.23</b>	-0.42
Fuel oil	<i>(3.0%S)</i>	15.19	16.80	<b>17.59</b>	+0.80
<b>Rotterdam</b>					
Premium gasoline	<i>(unleaded)</i>	37.57	39.09	<b>31.73</b>	-7.36
Gasoil	<i>(0.2%S)</i>	30.37	31.18	<b>31.06</b>	-0.12
Fuel oil	<i>(3.5%S)</i>	17.05	18.23	<b>17.97</b>	-0.26
<b>Singapore</b>					
Premium gasoline	<i>(unleaded)</i>	32.76	32.64	<b>26.89</b>	-5.75
Gasoil	<i>(0.5%S)</i>	29.80	30.79	<b>30.00</b>	-0.79
Fuel oil	<i>(380 cst)</i>	20.47	22.07	<b>20.16</b>	-1.90

**Table 3**  
**Refinery operations in selected OECD countries**

	Refinery throughput <i>mb/d</i>			Refinery utilization* <i>%</i>		
	<u>Apr.01</u>	<u>May01</u>	<u>Jun.01</u>	<u>Apr.01</u>	<u>May01</u>	<u>Jun.01</u>
USA	15.48	15.84	<b>15.89</b>	93.6	95.8	<b>96.10</b>
France	1.65	1.76R	<b>1.70</b>	87.3	93.2 <sup>R</sup>	<b>89.85</b>
Germany	2.15	2.24 <sup>R</sup>	<b>2.23</b>	95.4	99.0 <sup>R</sup>	<b>98.58</b>
Italy	1.87 <sup>R</sup>	1.67 <sup>R</sup>	<b>1.73</b>	79.4 <sup>R</sup>	70.9 <sup>R</sup>	<b>73.25</b>
UK	1.42	1.34 <sup>R</sup>	<b>1.36</b>	80.4	75.8 <sup>R</sup>	<b>76.96</b>
Eur-16**	11.87 <sup>R</sup>	11.76 <sup>R</sup>	<b>11.71</b>	87.0 <sup>R</sup>	86.2 <sup>R</sup>	<b>85.82</b>
Japan	4.25	3.63	<b>n.a.</b>	85.7	73.1	<b>n.a.</b>

*n.a.* Not available.

\* Refinery capacities used are in barrels per calendar day.

\*\* Fifteen European Union members plus Norway.

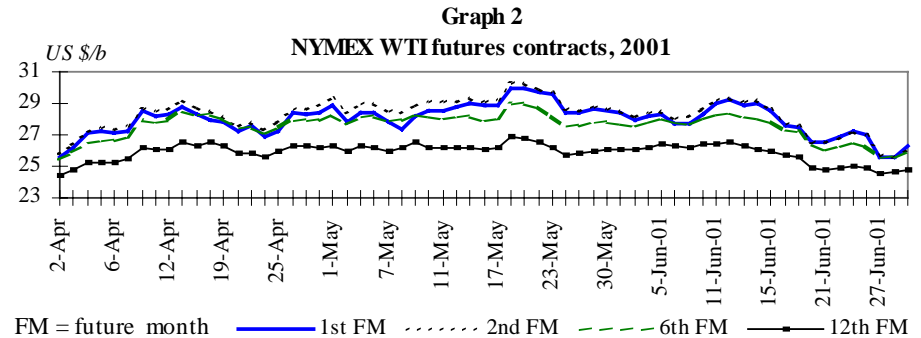
R Revised since last issue.

Sources: OPEC Statistics, Argus, Euroilstock Inventory Report/IEA.

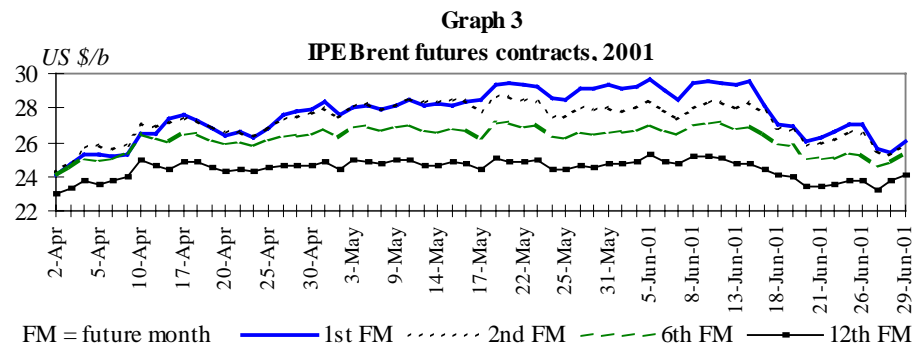
# THE OIL FUTURES MARKET

**NYMEX WTI ended June lower, on build-up in US gasoline stocks and bearish fundamentals**

In the first week of June, NYMEX West Texas Intermediate (WTI) was initially supported by the halt in Iraqi exports; later in the week, there was a corrective move led by gasoline; but the main downward force was that of higher-than-expected builds in gasoline, crude oil and heating oil stocks. The July WTI contract ended the week at \$27.75/b, which was \$0.18/b lower than it had started. At the end of the week, the speculative paper, that was lifting prices, was countered by fund-selling, which had started on 1 June, after the price had moved below the 200-day moving average.



The WTI contract rallied in the second week, as the market focused on the absence of Iraqi barrels. Adding extra impetus to the rally was the commitment of traders report, which showed that non-commercials had liquidated their long positions and gone short, meaning that an increase in prices would trigger short-covering and a higher movement. Despite the move by Saudi Arabia to increase the supply to customers by 3–4%, the market maintained its rally, due to the crude market’s tendency towards backwardation. Concern about the tropical storm “Allison” was also bullish and was the reason behind a big stock-draw of 13.7 mb reported by the API. The only dip in prices during the week occurred because of gasoline, which showed a build in stocks of 6.3 mb, thereby assuring markets of the adequacy of supplies for the driving season. However, the dip was countered by a strong heating oil market, which pulled up crude to \$29.04/b. In the third week, NYMEX WTI went through a continuous decline, on speculation about the return of Iraqi exports. This led to a technical sell-off, as the contract broke below the \$28.81/b support level, causing many longs in the market to liquidate. Bearish fundamentals and the movement of the contract below the 200-day average increased the pressure on prices. Creating further pressure were builds in US gasoline and RFG stocks — the first by 3.6 mb and the second by 1.35 mb. This caused the gasoline contract to move down sharply, registering the biggest one-day drop ever recorded in the exchange and dragging NYMEX WTI to a low of \$26.50/b.



In the last week of June, the WTI contract moved up initially, in response to signals from OPEC with regard to keeping the present production ceiling unchanged — later in the week, it moved down, in response to another build in stocks of gasoline, as well as distillates and crude. Signals of a weaker US economy also increased the bearish sentiment.

## THE TANKER MARKET

**OPEC area spot-chartering declined by 2.66 mb/d in June**

OPEC area spot-chartering declined by 2.66 mb/d to a monthly average of 11.29 mb/d in June. The suspension of Iraq's crude oil exports and the slow-down in oil demand were behind this reduction. Moreover, the weakening of the world economy resulted in the current level of fixtures being below the 2000 figures by 4.61 mb/d, or about 30%. Accordingly, global spot-chartering edged 2.33 mb/d lower to a monthly average of 20.56 mb/d, which was 5.33 mb/d below the year-ago figure, or about 21%. The absence of Iraq's oil exports also caused OPEC's share of global spot-chartering to decline in June, by 6.04 percentage points to 54.88%, which was 6.53 percentage points lower than the previous year's level. Spot fixtures from the Middle East on eastbound and westbound long-haul routes declined by 1.31 mb/d to 3.89 mb/d and by 1.14 mb/d to 1.09 mb/d respectively. Furthermore, the shares of eastbound and westbound long-haul OPEC total fixtures dropped by 2.82 and 6.34 percentage points to 34.48% and 9.62% respectively; together, they accounted for 44.09% of total chartering in the OPEC area, and this was 9.16 percentage points lower than that observed in May. Preliminary estimates of sailings from the OPEC area declined by 0.69 mb/d to a monthly average of 20.77 mb/d, which was only 3.22 percentage points below the previous month's level. Sailings from the Middle East declined by 1.30 mb/d to a monthly average of 13.79 mb/d, which constituted about 66% of total OPEC sailings. Arrivals in the US Gulf Coast, East Coast and the Caribbean increased in June by 0.34 mb/d to a monthly average of 7.88 mb/d, while arrivals in North-West Europe and Euromed rose by 0.22 mb/d and 0.12 mb/d to 5.58 mb/d and 4.22 mb/d respectively. The estimated oil-at-sea on 30 June was 459 mb, which was 23 mb above the level registered at the end of May.

**VLCC freight rates hit lowest level since August 1999 in June**

A thin volume of fixtures and excess supply of tonnage hammered crude oil tanker freight rates on all the major trading routes for all type of tankers. The main factor affecting the decline in freight rates was the lack of sufficient demand to employ the available tonnage. The VLCC market in the Middle East experienced a rough month in June, with freight rates declining steadily since March, losing about 60%, and hit the lowest level since August 1999. Rates dropped by 17 points to a monthly average of WS45 on the Middle East eastbound long-haul route and by 20 points to reach WS38 on the westbound route. This downturn in the VLCC market generated bearish pressure on the Suezmax tanker market; freight rates were also hit hard this month as they dropped to a two-digit level, which had not been seen since December 1999. Freight rates on the routes from West Africa and North West Europe to the US Gulf dropped sharply by 24 points to WS89 and by 30 points to WS91 respectively, on the lack of trade, as the US crude price, WTI, softened and traded at a discount to Brent and Bonny Light, limiting crude imports to the US market. Aframax freight rates on short-haul trading routes followed the downtrend in VLCC and Suezmax and experienced steep drops. The biggest fall in rates occurred on the route from the Caribbean to the US Gulf Coast, where they declined by 19 points to WS177. On the routes across the Mediterranean and to North-West Europe, the rates for modern Aframax tonnage declined by ten points to WS170 and by 14 points to WS140 respectively. Freight rates for 70-100,000 dwt tankers on the route from Indonesia to the US West Coast continued to soften, as they declined by a further two points to WS134.

**Clean tanker freight rates showed mixed trends in June**

Product tanker freight rates displayed mixed trends in June. They continued to improve on the route from the Middle East to the Far East, surging by 20 points to WS258, due to higher Asian import needs, where an early June refinery outage reduced local availability. Meanwhile, rates decreased by 19 points to WS287 on the Singapore/Far East route, as refiners kept cutting their runs due to poor margins. Because of a lack of product export opportunities across the Atlantic on the route from North-West Europe to the US East Coast, freight rates plunged by 60 points to WS295. In the Mediterranean, the clean tanker market was very quiet on thin demand, and freight rates within the Mediterranean route dropped by 46 points to WS287; meanwhile, on the route to North-West Europe, they fell by 62 points to WS260, due to a sufficiency of product inventories in Europe. The Caribbean market maintained the previous month's level of activity, and freight rates on the route to the US Gulf Coast almost stabilized at WS263, which was only four points below the level registered in May.

## WORLD OIL DEMAND

**World demand estimate for 2000 reduced slightly to 75.68 mb/d**

### *Figures for 2000*

#### *World*

According to the latest available figures, world oil consumption during 2000 grew by 0.58 mb/d, or 0.8%, to 75.68 mb/d. This latest estimate translates into a downward revision of 0.06 mb/d, compared with the figure presented in the previous *MOMR*. There has also been a downward revision to historical data. Nonetheless, we shall refer only to last year. Specifically, for 2000, the latest available data shows that demand in developing countries grew by only 0.17 mb/d to average 18.62 mb/d, instead of the 0.23 mb/d growth presented in the last *MOMR*. Within this group, almost all the downward revision has been concentrated in Latin America, to the tune of 0.07 mb/d, to show a net *contraction* of 0.01 mb/d, instead of a *rise* of 0.06 mb/d, as presented in the last *MOMR*. On a quarterly basis, world demand has experienced a minor upward adjustment of 0.02 mb/d during the first quarter, to average 75.61 mb/d. For the remainder of the year, there have been downward revisions of 0.12 mb/d in the second, 0.15 mb/d in the third and 0.11 mb/d in the fourth quarters.

**Table 4**  
**World oil demand in 2000**  
*mb/d*

	<u>1999</u>	<u>1Q00</u>	<u>2Q00</u>	<u>3Q00</u>	<u>4Q00</u>	<u>2000</u>	<b>Change 2000/99</b>	
							<u>Volume</u>	<u>%</u>
North America	23.77	23.65	23.84	24.45	24.43	24.10	0.33	1.4
Western Europe	15.22	15.17	14.61	15.16	15.40	15.09	-0.13	-0.8
OECD Pacific	8.69	9.35	8.09	8.35	8.81	8.65	-0.04	-0.4
<b>Total OECD</b>	<b>47.68</b>	<b>48.17</b>	<b>46.55</b>	<b>47.96</b>	<b>48.64</b>	<b>47.84</b>	<b>0.16</b>	<b>0.3</b>
Other Asia	7.08	7.05	7.31	7.45	7.39	7.30	0.22	3.0
Latin America	4.68	4.52	4.75	4.76	4.65	4.67	-0.01	-0.1
Middle East	4.38	4.35	4.37	4.46	4.21	4.35	-0.03	-0.8
Africa	2.32	2.32	2.30	2.30	2.32	2.31	-0.01	-0.4
<b>Total DCs</b>	<b>18.46</b>	<b>18.23</b>	<b>18.72</b>	<b>18.98</b>	<b>18.57</b>	<b>18.62</b>	<b>0.17</b>	<b>0.9</b>
FSU	4.03	3.69	3.64	3.53	4.20	3.77	-0.27	-6.6
Other Europe	0.76	0.81	0.75	0.75	0.79	0.78	0.01	1.6
China	4.17	4.71	4.37	4.89	4.74	4.68	0.51	12.1
<b>Total "Other regions"</b>	<b>8.96</b>	<b>9.21</b>	<b>8.76</b>	<b>9.17</b>	<b>9.73</b>	<b>9.22</b>	<b>0.25</b>	<b>2.8</b>
<b>Total world</b>	<b>75.10</b>	<b>75.61</b>	<b>74.03</b>	<b>76.11</b>	<b>76.94</b>	<b>75.68</b>	<b>0.58</b>	<b>0.8</b>
Previous estimate	75.13	75.58	74.15	76.25	77.05	75.76	0.64	0.8
Revision	-0.03	0.02	-0.12	-0.15	-0.11	-0.09	-0.06	-0.1

**World demand forecast for 2001 revised down marginally to 76.53 mb/d**

### *Projections for 2001*

For the present year, the projection for world oil demand has once again been revised down, due to a further downward adjustment to the world economic growth rate. Consumption is now estimated to rise by 0.85 mb/d, or 1.1%, to average 76.53 mb/d. On a regional basis, demand is projected to increase by 0.28 mb/d in the OECD and by 0.41 mb/d in developing countries, with the remaining 0.16 mb/d originating in the "other regions" (former CPEs). On a quarterly basis, compared with the year-earlier figure, world demand grew by 0.60%, or 0.47 mb/d, to average 76.08 mb/d in January–March. For the rest of the year, demand is projected to register further increases of 1.2% in the second, 0.9% in the third and 1.8% in the fourth quarters.

### *OECD*

Having grown by as little as 0.3% last year, OECD product deliveries are projected to post a higher growth rate in 2001, rising by 0.6%, or 0.28 mb/d, to average 48.11 mb/d. Almost all the growth is expected to take place in North America, with the lion's share originating in the USA. Inland delivery of petroleum products in North America in the first quarter, according to the latest figures, grew by a solid 2.2%, or 0.52 mb/d, to average 24.17 mb/d. The USA accounted for almost all the increase in demand in the region, while demand in Canada rose by a marginal 0.01 mb/d and declined in Mexico by 0.04 mb/d. US product deliveries rose by 2.8%, or 0.55 mb/d, to average 20.14 mb/d. Demand in Western Europe remained on a declining path, posting a fall of 0.5%, or 0.08 mb/d, during the first quarter. In contrast, the OECD Pacific countries displayed 0.9% growth, or 0.09 mb/d, in the same period. According to the latest figures, demand for petroleum products grew by 1.5%, or 0.09 mb/d, in Japan. It is important to point out that consumption contracted by 0.7% in South Korea, the second most important regional consumer, during the first quarter.

For the remainder of the year, demand is projected to rise in North America, with most of the growth originating in the USA and, to a lesser extent, Canada. Deliveries of petroleum products will continue to fall marginally in Western Europe, at a rate of 0.3%, which translates into a 0.04 mb/d volumetric decline. Our present estimate calls for a nearly negligible 0.3% growth rate in demand for the OECD Pacific countries. This projection is based on the present situation in the Japanese economy, which continues to show signs of weakening. GDP growth rate estimates for Japan in 2001 have again been revised down significantly and now stand at -0.2%; likewise, economic growth rates in South Korea have been revised down systematically.

### *DCs*

Oil demand in developing countries has been revised down for 2001. It is now expected to rise by 0.41 mb/d, or 2.2%, to average 19.04 mb/d for the year. The estimated growth rate in consumption has been lowered for the Asian group of countries from the previous 3.0% to 2.2%. The fundamental factor behind the lower demand outlook is that Asian regional GDP is projected to grow at a lower-than-anticipated rate. These economies are highly export-dependent and are extremely reliant upon the health of their trading partners. Projections for the remaining regions of this group (Latin America, Middle East and Africa) have been lowered, to reflect changes in regional economic indicators (see Table 5).

### *Other regions*

Apparent demand in the former CPEs is projected to grow by 0.16 mb/d, or 1.8%, to average 9.38 mb/d for 2001. Revisions to the trade and production data for the first quarter show that apparent FSU demand grew by 7.2%, or 0.27 mb/d, compared with the year-earlier figure, instead of the more optimistic 8% presented in the previous *MOMR*. The latest assessments indicate that there has been growth of 0.13 mb/d, or nearly 3.7%, in the second quarter. For the remaining two quarters, we anticipate a decline in apparent consumption, due to a rise in the level of exports that will outpace any gain in production. During the first quarter, net exports were 0.32 mb/d higher than in the first quarter of 2000. The most up-to-date figures show that this trend continued in the second quarter, when total net exports are estimated to be 3.78 mb/d. High international oil prices, the need for more revenue, in order to service international loans, and the switch to natural gas continue to undermine internal consumption. Indigenous production and trade data for the first three months of the year show a considerable drop in Chinese apparent consumption. According to the latest figures, apparent demand declined by 7.5% during the first quarter. Even though the decline seems huge, one should not forget that this comparison is made with the first quarter of 2000, when demand surged by 17% to reach a first-quarter record level. The latest available data shows a considerable recovery in total imports for the second quarter. Net oil imports registered a rise of 36.8%, compared with the previous quarter, and a 26.4% increase, versus the second quarter of 2000. Therefore, we are still optimistic about the demand outlook for the rest of the year; nonetheless, due to the size and the importance of China in the overall demand picture, we shall continue to monitor closely further developments.

**Table 5**  
World oil demand forecast for 2001  
*mb/d*

	<u>2000</u>	<u>1Q01</u>	<u>2Q01</u>	<u>3Q01</u>	<u>4Q01</u>	<u>2001</u>	Change 2001/00	
							Volume	%
North America	24.10	24.17	23.96	24.66	24.76	24.39	0.29	1.2
Western Europe	15.09	15.09	14.57	15.11	15.42	15.05	-0.04	-0.3
OECD Pacific	8.65	9.44	8.00	8.40	8.88	8.68	0.02	0.3
<b>Total OECD</b>	<b>47.84</b>	<b>48.70</b>	<b>46.53</b>	<b>48.17</b>	<b>49.05</b>	<b>48.11</b>	<b>0.28</b>	<b>0.6</b>
Other Asia	7.30	7.13	7.54	7.50	7.67	7.46	0.16	2.2
Latin America	4.67	4.47	4.78	4.91	4.87	4.76	0.09	1.9
Middle East	4.35	4.31	4.45	4.59	4.45	4.45	0.10	2.4
Africa	2.31	2.34	2.39	2.30	2.42	2.36	0.05	2.3
<b>Total DCs</b>	<b>18.62</b>	<b>18.26</b>	<b>19.17</b>	<b>19.29</b>	<b>19.42</b>	<b>19.04</b>	<b>0.41</b>	<b>2.2</b>
FSU	3.77	3.96	3.78	3.37	4.04	3.78	0.02	0.5
Other Europe	0.78	0.82	0.76	0.79	0.82	0.79	0.02	2.5
China	4.68	4.35	4.69	5.16	4.99	4.80	0.12	2.6
<b>Total "Other regions"</b>	<b>9.22</b>	<b>9.13</b>	<b>9.22</b>	<b>9.31</b>	<b>9.85</b>	<b>9.38</b>	<b>0.16</b>	<b>1.8</b>
<b>Total world</b>	<b>75.68</b>	<b>76.08</b>	<b>74.91</b>	<b>76.77</b>	<b>78.32</b>	<b>76.53</b>	<b>0.85</b>	<b>1.1</b>
Previous estimate	75.76	76.70	75.00	77.03	78.57	76.83	1.06	1.4
Revision	-0.09	-0.62	-0.08	-0.26	-0.25	-0.30	-0.21	-0.3

## WORLD OIL SUPPLY

**2000 non-OPEC supply figure revised down to 45.79 mb/d**

### *Non-OPEC*

#### *Figures for 2000*

The 2000 non-OPEC supply figure has been revised down by around 0.02 mb/d to 45.79 mb/d, compared with the last *MOMR*. This is the result of downward adjustments to the figures for the first, third and fourth quarters of around 0.03 mb/d, 0.03 mb/d and 0.02 mb/d to 45.80 mb/d, 45.67 mb/d and 46.20 mb/d respectively; the second-quarter figure remains unchanged at 45.50 mb/d. The yearly average increase is estimated at 1.21 mb/d, compared with the 1999 figure.

**Table 6**  
Non-OPEC oil supply in 2000  
*mb/d*

	<u>1999</u>	<u>1Q00</u>	<u>2Q00</u>	<u>3Q00</u>	<u>4Q00</u>	<u>2000</u>	Change
							00/99
North America	14.05	14.32	14.40	14.29	14.14	14.29	0.23
Western Europe	6.63	7.00	6.56	6.55	6.85	6.74	0.11
OECD Pacific	0.66	0.86	0.85	0.83	0.80	0.83	0.17
<b>Total OECD</b>	<b>21.34</b>	<b>22.18</b>	<b>21.80</b>	<b>21.67</b>	<b>21.79</b>	<b>21.86</b>	<b>0.52</b>
Other Asia	2.18	2.22	2.22	2.20	2.28	2.23	0.05
Latin America	3.76	3.71	3.68	3.74	3.85	3.74	-0.02
Middle East	2.06	2.08	2.12	2.16	2.19	2.14	0.08
Africa	2.80	2.87	2.86	2.86	2.85	2.86	0.06
<b>Total DCs</b>	<b>10.80</b>	<b>10.88</b>	<b>10.87</b>	<b>10.96</b>	<b>11.16</b>	<b>10.97</b>	<b>0.17</b>
FSU	7.47	7.658	7.772	7.994	8.20	7.91	0.44
Other Europe	0.18	0.18	0.18	0.18	0.18	0.18	0.00
China	3.21	3.26	3.22	3.22	3.22	3.23	0.02
<b>Total "Other regions"</b>	<b>10.86</b>	<b>11.09</b>	<b>11.18</b>	<b>11.39</b>	<b>11.60</b>	<b>11.32</b>	<b>0.45</b>
<b>Total non-OPEC production</b>	<b>43.01</b>	<b>44.15</b>	<b>43.85</b>	<b>44.02</b>	<b>44.55</b>	<b>44.14</b>	<b>1.14</b>
Processing gains	1.58	1.65	1.65	1.65	1.65	1.65	0.07
<b>Total non-OPEC supply</b>	<b>44.58</b>	<b>45.80</b>	<b>45.50</b>	<b>45.67</b>	<b>46.20</b>	<b>45.79</b>	<b>1.21</b>
Previous estimate	44.58	45.83	45.50	45.71	46.22	45.82	1.23
<b>Revision</b>	<b>0.00</b>	<b>-0.03</b>	<b>0.00</b>	<b>-0.03</b>	<b>-0.02</b>	<b>-0.02</b>	<b>-0.02</b>

*Totals may not add, due to independent rounding.*

**2001 non-OPEC supply  
forecast revised up by  
0.17 mb/d to 46.24 mb/d**
**Expectations for 2001**

The 2001 non-OPEC supply forecast figure has been revised up by around 0.17 mb/d to 46.24 mb/d, which is 0.45 mb/d higher than the revised 2000 estimate. The 2001 quarterly figures have been revised up by around 0.02 mb/d to 46.25 mb/d, 0.15 mb/d to 45.80 mb/d, 0.29 mb/d to 46.27 mb/d and 0.25 mb/d to 46.63 mb/d respectively, compared with the previous *MOMR*.

**Table 7**  
**Non-OPEC oil supply in 2001**  
*mb/d*

	<u>2000</u>	<u>1Q01</u>	<u>2Q01</u>	<u>3Q01</u>	<u>4Q01</u>	<u>2001</u>	<u>01/00</u>
North America	14.29	14.20	14.09	14.28	14.36	14.23	-0.05
Western Europe	6.74	6.78	6.48	6.56	6.71	6.63	-0.10
OECD Pacific	0.83	0.80	0.79	0.78	0.79	0.79	-0.04
<b>Total OECD</b>	<b>21.86</b>	<b>21.78</b>	<b>21.36</b>	<b>21.62</b>	<b>21.86</b>	<b>21.65</b>	<b>-0.20</b>
Other Asia	2.23	2.30	2.27	2.28	2.31	2.29	0.06
Latin America	3.74	3.77	3.73	3.79	3.81	3.78	0.03
Middle East	2.14	2.16	2.18	2.19	2.22	2.19	0.05
Africa	2.86	2.83	2.80	2.86	2.88	2.84	-0.02
<b>Total DCs</b>	<b>10.97</b>	<b>11.06</b>	<b>10.98</b>	<b>11.13</b>	<b>11.23</b>	<b>11.10</b>	<b>0.13</b>
FSU	7.91	8.24	8.32	8.35	8.37	8.32	0.41
Other Europe	0.18	0.18	0.18	0.19	0.19	0.18	0.00
China	3.23	3.29	3.27	3.29	3.30	3.29	0.06
<b>Total "Other regions"</b>	<b>11.32</b>	<b>11.72</b>	<b>11.77</b>	<b>11.83</b>	<b>11.86</b>	<b>11.80</b>	<b>0.48</b>
<b>Total non-OPEC production</b>	<b>44.14</b>	<b>44.56</b>	<b>44.11</b>	<b>44.58</b>	<b>44.94</b>	<b>44.55</b>	<b>0.41</b>
Processing gains	1.65	1.69	1.69	1.69	1.69	1.69	0.04
<b>Total non-OPEC supply</b>	<b>45.79</b>	<b>46.25</b>	<b>45.80</b>	<b>46.27</b>	<b>46.63</b>	<b>46.24</b>	<b>0.45</b>
Previous estimate	45.82	46.23	45.66	45.99	46.39	46.07	0.25
<b>Revision</b>	<b>-0.02</b>	<b>0.02</b>	<b>0.15</b>	<b>0.29</b>	<b>0.25</b>	<b>0.17</b>	<b>0.20</b>

*Totals may not add, due to independent rounding.*

**Net FSU oil export 2001  
figure revised down**

The FSU net oil export forecast for 2001 has been revised down by 0.02 mb/d to 4.54 mb/d, while the 2000 figure remains unchanged at 4.14 mb/d, compared with the last *MOMR*.

**Table 8**  
**FSU net oil exports**  
*mb/d*

	<u>1Q</u>	<u>2Q</u>	<u>3Q</u>	<u>4Q</u>	<u>Year</u>
<b>1997</b>	2.81	2.92	2.88	2.88	<b>2.87</b>
<b>1998</b>	2.77	3.02	3.18	3.20	<b>3.04</b>
<b>1999</b>	3.12	3.62	3.52	3.49	<b>3.44</b>
<b>2000 (estimate)</b>	3.97	4.13	4.47	4.01	<b>4.14</b>
<b>2001 (forecast)</b>	4.28	4.54	4.99	4.33	<b>4.54</b>

**OPEC NGL data revised  
up**
**OPEC natural gas liquids**

OPEC NGL data for 2000 and 2001 have been revised up by around 0.04 mb/d each to 2.95 mb/d and 2.99 mb/d respectively. Also, the 1999 figure has been revised up by around 0.02 mb/d to 2.86 mb/d.

**OPEC NGL production — 1997–2001**  
*mb/d*

<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>1Q00</u>	<u>2Q00</u>	<u>3Q00</u>	<u>4Q00</u>	<u>2000</u>	Change	<u>2001</u>	Change
								<u>00/99</u>		<u>01/00</u>
<b>2.81</b>	<b>2.78</b>	<b>2.86</b>	2.95	2.95	2.95	2.95	<b>2.95</b>	0.09	<b>2.99</b>	0.04

Available secondary sources put OPEC's June production at 25.8 mb/d

### OPEC crude oil production

Available secondary sources indicate that, in June, OPEC output was 25.81 mb/d, which was 1.67 mb/d lower than the revised May level of 27.48 mb/d. Table 9 shows OPEC production, as reported by selected secondary sources.

**Table 9**  
OPEC crude oil production, based on secondary sources  
1,000 b/d

	<u>1999</u>	<u>2000</u>	<u>1Q01</u>	<u>May01*</u>	<u>Jun.01*</u>	<u>2Q01</u>	Jun.01– May01
Algeria	766	808	825	820	<b>837</b>	<b>820</b>	17
Indonesia	1,310	1,280	1,253	1,199	<b>1,222</b>	<b>1,214</b>	23
IR Iran	3,509	3,671	3,798	3,651	<b>3,660</b>	<b>3,667</b>	10
Iraq	2,507	2,551	2,207	2,895	<b>1,001</b>	<b>2,280</b>	-1,894
Kuwait	1,907	2,101	2,142	2,015	<b>2,016</b>	<b>2,017</b>	1
SP Libyan AJ	1,337	1,405	1,407	1,361	<b>1,368</b>	<b>1,365</b>	7
Nigeria	1,983	2,031	2,131	2,033	<b>2,087</b>	<b>2,059</b>	53
Qatar	641	698	716	678	<b>687</b>	<b>684</b>	9
Saudi Arabia	7,655	8,248	8,299	7,878	<b>7,974</b>	<b>7,916</b>	97
UAE	2,077	2,252	2,312	2,114	<b>2,128</b>	<b>2,147</b>	14
Venezuela	2,808	2,897	2,979	2,833	<b>2,830</b>	<b>2,843</b>	-3
<b>Total OPEC</b>	<b>26,499</b>	<b>27,943</b>	<b>28,070</b>	<b>27,476</b>	<b>25,810</b>	<b>27,011</b>	<b>-1,666</b>

Totals may not add, due to independent rounding.

\* Not all sources available.

## STOCK MOVEMENTS

Moderate seasonal stock-build of 0.44 mb/d in USA in June

### USA

US commercial onland oil stocks rose by 12.4 mb, or 0.44 mb/d, to 1,012.4 mb during the period 1–29 June. This build resulted mainly from an increase of 12.1 mb to 191.4 mb in “other oils”, followed by gasoline, which rose by 11.3 mb to 221.6 mb, a level not seen since June 1999. The high level of refinery throughput took gasoline output to a record high, which, together with stagnant demand, fostered a rebuilding of gasoline stocks, while this strong level of refinery runs pushed down sharply crude oil stocks, by 13.7 mb to 310.7 mb. Distillates registered an increase of 4.7 mb to 112.8 mb, on the back of lower demand, as well as increasing production. Jet kerosene and fuel oil also showed slight builds, rising by 1.4 mb to 43.0 mb and 1.0 mb to 42.5 mb respectively, due to increasing output. Total stocks were 55.9 mb, or about 6%, higher than last year's figure.

**Table 10**  
US onland commercial petroleum stocks\*  
mb

	<u>29 Dec.00</u>	<u>30 Mar.01</u>	<u>1 Jun.01</u>	<u>29 Jun.01</u>	Change <u>Jun./May</u>	<u>29 Jun.00</u>
<b>Crude oil (excl. SPR)</b>	288.7	303.2	324.4	<b>310.7</b>	<b>-13.7</b>	290.9
Gasoline	193.8	193.0	210.3	221.6	11.3	209.4
Distillate fuel	116.1	104.0	108.1	112.8	4.7	105.9
Residual fuel oil	34.7	39.8	41.5	42.5	1.0	37.1
Jet fuel	43.9	40.1	41.6	43.0	1.4	43.6
Unfinished oils	87.1	101.3	94.8	90.4	-4.4	90.9
Other oils	165.8	142.1	179.3	191.4	12.1	178.7
<b>Total</b>	<b>930.0</b>	<b>923.5</b>	<b>1,000.0</b>	<b>1,012.4</b>	<b>12.4</b>	<b>956.5</b>
SPR	541.2	542.3	543.3	543.3	0.0	568.9

\* At end of month, unless otherwise stated.

Source: US/DOE-EIA.

**Minor contra-seasonal draw of 0.14 mb/d in Eur-16 in June**

During the same period, the US Strategic Petroleum Reserve (SPR) remained unchanged at the previous month's level of 543.3 mb.

**Western Europe**

In June, commercial onland oil stocks in Eur-16 witnessed a further contra-seasonal draw, moving down by a slight 4.3 mb, or 0.14 mb/d, to 1,075.2 mb. Most of the draw occurred with crude oil, which fell by 7.3 mb to 438.2 mb, due to the downturn in crude oil imports, especially from Iraq. This was followed by fuel oil, which declined by 3.1 mb to 122.2 mb, on the back of lower output. Gasoline and middle distillates diminished this draw, rising by 2.7 mb to 156.5 mb and 2.9 mb to 333.2 mb respectively. Sluggish demand and closing transatlantic arbitrage were the main reasons behind the draw on gasoline, while increasing imports, especially Russian barrels, contributed to the build in distillates. The overall stock level was 23.3 mb, or about 2%, above last year's figure.

**Table 11**  
**Western Europe commercial oil stocks\***

	<i>mb</i>					
	<u>Dec.00</u>	<u>Mar.01</u>	<u>May01</u>	<u>Jun.01</u>	<b>Change Jun./May</b>	<u>Jun.00</u>
<b>Crude oil</b>	420.6	451.7	445.5	<b>438.2</b>	<b>-7.3</b>	442.0
Mogas	152.9	158.3	153.8	156.5	2.7	147.4
Naphtha	24.6	22.0	24.6	25.1	0.4	23.3
Middle distillates	342.8	330.8	330.3	333.2	2.9	319.1
Fuel oils	125.8	123.6	125.3	122.2	-3.1	120.0
<b>Total products</b>	646.2	634.7	634.0	<b>637.0</b>	<b>3.0</b>	609.8
<b>Overall total</b>	1,066.7	1,086.3	1,079.5	<b>1,075.2</b>	<b>-4.3</b>	1,051.8

\* At end of month, and consists of Eur-16.

Source: Argus Euroilstock

**Further stock-build of 0.22 mb/d in Japan in May**
**Japan**

Commercial onland oil stocks in Japan continued to show a seasonal build, as they rose by a further 6.8 mb, or 0.22 mb/d, to 195.5 mb in May. Crude oil was the sole contributor to this build, increasing by 7.6 mb to 126.1 mb, on the back of the cut in refinery throughput, due to seasonal maintenance. All major product stocks registered slight decreases, as a result of lower production. Gasoline moved down by 0.4 mb to 14.7 mb, while middle distillates and fuel oil declined by 0.2 mb each, to stand at 33.8 mb and 20.9 mb respectively. The total level was 8.3 mb, or about 4%, higher than the year-ago figure.

**Table 12**  
**Japan's commercial oil stocks\***

	<i>mb</i>					
	<u>Dec.00</u>	<u>Mar.01</u>	<u>Apr.01</u>	<u>May01</u>	<b>Change May/Apr.</b>	<u>May00</u>
<b>Crude oil</b>	105.1	118.7	118.5	<b>126.1</b>	<b>7.6</b>	117.2
Gasoline	12.7	14.6	15.1	14.7	-0.4	15.8
Middle distillates	40.3	31.4	34.0	33.8	-0.2	34.6
Residual fuel oil	20.4	20.2	21.1	20.9	-0.2	19.7
<b>Total products</b>	73.4	66.3	70.2	<b>69.4</b>	<b>-0.8</b>	70.0
<b>Overall total **</b>	178.5	185.0	188.7	<b>195.5</b>	<b>6.8</b>	187.2

\* At end of month; \*\* Includes crude oil and main products only.

Source: MITI, Japan.

## BALANCE OF SUPPLY AND DEMAND

**2000 supply/demand difference estimate revised down to 26.9 mb/d**

The world oil demand estimate has been revised down since last month's *MOMR* by around 0.1 mb/d to 75.7 mb/d, while non-OPEC supply remains unchanged at 48.7 mb/d; the difference is estimated at 26.9 mb/d, down by around 0.1 mb/d. The yearly average balance is 1.0 mb/d, revised up by around 0.1 mb/d, with quarterly distributions of -0.4 mb/d, 2.3 mb/d, 1.1 mb/d and 1.0 mb/d respectively; this contains no adjustment for the first quarter, while the other quarters have been adjusted up by around 0.2 mb/d, 0.2 mb/d and 0.1 mb/d respectively. The 1999 balance remains unchanged at -1.2 mb/d.

**Table 14**  
**Summarized supply/demand balance for 2000**  
*mb/d*

	<u>1999</u>	<u>1Q00</u>	<u>2Q00</u>	<u>3Q00</u>	<u>4Q00</u>	<u>2000</u>
(a) World oil demand	75.1	75.6	74.0	76.1	76.9	75.7
(b) Non-OPEC supply <sup>(1)</sup>	47.4	48.7	48.4	48.6	49.1	48.7
<b>Difference (a - b)</b>	<b>27.7</b>	<b>26.9</b>	<b>25.6</b>	<b>27.5</b>	<b>27.8</b>	<b>26.9</b>
OPEC crude oil production <sup>(2)</sup>	26.5	26.5	27.8	28.6	28.8	27.9
<b>Balance</b>	<b>-1.2</b>	<b>-0.4</b>	<b>2.3</b>	<b>1.1</b>	<b>1.0</b>	<b>1.0</b>

(1) Including OPEC NGLs.

(2) Selected secondary sources.

Totals may not add, due to independent rounding.

**2001 supply/demand difference revised down to 27.3 mb/d**

The non-OPEC supply forecast figure for 2001 has been revised up by around 0.2 mb/d to 49.2 mb/d, while the world oil demand figure has been revised down by around 0.3 mb/d to 76.5 mb/d, resulting in an annual difference of 27.3 mb/d, down by around 0.5 mb/d from the last *MOMR*'s figure. The quarterly distribution forecasts have been revised down by around 0.7 mb/d to 26.8 mb/d, 0.3 mb/d to 26.1 mb/d, 0.6 mb/d to 27.5 mb/d and 0.5 mb/d to 28.7 mb/d respectively, compared with the last *MOMR*'s figures. The balance for the first quarter has been revised up by around 0.7 mb/d to 1.2 mb/d, while the second-quarter balance, which has been introduced for the first time, is estimated at 0.9 mb/d.

**Table 15**  
**Summarized supply/demand balance for 2001**  
*mb/d*

	<u>2000</u>	<u>1Q01</u>	<u>2Q01</u>	<u>3Q01</u>	<u>4Q01</u>	<u>2001</u>
(a) World oil demand	75.7	76.1	74.9	76.8	78.3	76.5
(b) Non-OPEC supply <sup>(1)</sup>	48.7	49.2	48.8	49.3	49.6	49.2
<b>Difference (a - b)</b>	<b>26.9</b>	<b>26.8</b>	<b>26.1</b>	<b>27.5</b>	<b>28.7</b>	<b>27.3</b>
OPEC crude oil production <sup>(2)</sup>	27.9	28.1	27.0			
<b>Balance</b>	<b>1.0</b>	<b>1.2</b>	<b>0.9</b>			

(1) Including OPEC NGLs.

(2) Selected secondary sources.

Totals may not add, due to independent rounding.

**Table 15**  
**World oil demand/supply balance**  
*mb/d*

	1997	1998	1999	1Q00	2Q00	3Q00	4Q00	2000	1Q01	2Q01	3Q01	4Q01	2001
<b>World demand</b>													
<b>OECD</b>	46.7	46.8	47.7	48.2	46.6	48.0	48.6	47.8	48.7	46.5	48.2	49.1	48.1
North America	22.7	23.1	23.8	23.7	23.8	24.5	24.4	24.1	24.2	24.0	24.7	24.8	24.4
Western Europe	15.0	15.3	15.2	15.2	14.6	15.2	15.4	15.1	15.1	14.6	15.1	15.4	15.0
Pacific	9.0	8.4	8.7	9.4	8.1	8.3	8.8	8.7	9.4	8.0	8.4	8.9	8.7
<b>DCs</b>	17.6	18.1	18.5	18.2	18.7	19.0	18.6	18.6	18.3	19.2	19.3	19.4	19.0
<b>FSU</b>	4.4	4.3	4.0	3.7	3.6	3.5	4.2	3.8	4.0	3.8	3.4	4.0	3.8
<b>Other Europe</b>	0.8	0.8	0.8	0.8	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
<b>China</b>	4.0	3.8	4.2	4.7	4.4	4.9	4.7	4.7	4.4	4.7	5.2	5.0	4.8
<b>(a) Total world demand</b>	<b>73.5</b>	<b>73.7</b>	<b>75.1</b>	<b>75.6</b>	<b>74.0</b>	<b>76.1</b>	<b>76.9</b>	<b>75.7</b>	<b>76.1</b>	<b>74.9</b>	<b>76.8</b>	<b>78.3</b>	<b>76.5</b>
<b>Non-OPEC supply</b>													
<b>OECD</b>	22.1	21.8	21.3	22.2	21.8	21.7	21.8	21.9	21.8	21.4	21.6	21.9	21.7
North America	14.6	14.5	14.1	14.3	14.4	14.3	14.1	14.3	14.2	14.1	14.3	14.4	14.2
Western Europe	6.8	6.6	6.6	7.0	6.6	6.5	6.8	6.7	6.8	6.5	6.6	6.7	6.6
Pacific	0.7	0.7	0.7	0.9	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
<b>DCs</b>	10.3	10.6	10.8	10.9	10.9	11.0	11.2	11.0	11.1	11.0	11.1	11.2	11.1
<b>FSU</b>	7.3	7.3	7.5	7.7	7.8	8.0	8.2	7.9	8.2	8.3	8.4	8.4	8.3
<b>Other Europe</b>	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
<b>China</b>	3.3	3.2	3.2	3.3	3.2	3.2	3.2	3.2	3.3	3.3	3.3	3.3	3.3
<b>Processing gains</b>	1.6	1.6	1.6	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7
<b>Total non-OPEC supply</b>	<b>44.7</b>	<b>44.5</b>	<b>44.6</b>	<b>45.8</b>	<b>45.5</b>	<b>45.7</b>	<b>46.2</b>	<b>45.8</b>	<b>46.2</b>	<b>45.8</b>	<b>46.3</b>	<b>46.6</b>	<b>46.2</b>
<b>OPEC NGLs</b>	2.8	2.8	2.9	2.9	2.9	2.9	2.9	2.9	3.0	3.0	3.0	3.0	3.0
<b>(b) Total non-OPEC supply and OPEC NGLs</b>	<b>47.5</b>	<b>47.3</b>	<b>47.4</b>	<b>48.7</b>	<b>48.4</b>	<b>48.6</b>	<b>49.1</b>	<b>48.7</b>	<b>49.2</b>	<b>48.8</b>	<b>49.3</b>	<b>49.6</b>	<b>49.2</b>
<b>OPEC crude oil production (secondary sources)</b>	<b>27.2</b>	<b>27.8</b>	<b>26.5</b>	<b>26.5</b>	<b>27.8</b>	<b>28.6</b>	<b>28.8</b>	<b>27.9</b>	<b>28.1</b>	<b>27.0</b>			
<b>Total supply</b>	<b>74.7</b>	<b>75.1</b>	<b>73.9</b>	<b>75.2</b>	<b>76.3</b>	<b>77.2</b>	<b>78.0</b>	<b>76.7</b>	<b>77.3</b>	<b>75.8</b>			
<b>Balance (stock change and miscellaneous)</b>	<b>1.3</b>	<b>1.4</b>	<b>-1.2</b>	<b>-0.4</b>	<b>2.3</b>	<b>1.1</b>	<b>1.0</b>	<b>1.0</b>	<b>1.2</b>	<b>0.9</b>			
<b>Closing stock level (outside FCPEs) mb</b>													
OECD onland commercial	2643	2725	2471	2445	2528	2566	2548	2548	2542				
OECD SPR	1207	1249	1228	1234	1232	1237	1210	1210	1210				
OECD total	3850	3974	3700	3679	3760	3803	3758	3758	3752				
Other onland	1030	1063	989	984	1005	1017	1005	1005	1003				
Oil-on-water	812	859	808	829	852	835	864	864	906				
<b>Total stock</b>	<b>5692</b>	<b>5896</b>	<b>5497</b>	<b>5492</b>	<b>5618</b>	<b>5655</b>	<b>5627</b>	<b>5627</b>	<b>5661</b>				
<b>Days of forward consumption in OECD</b>													
Commercial onland stocks	56	57	52	53	53	53	52	53	55				
SPR	26	26	26	27	26	25	25	25	26				
Total	82	83	77	79	78	78	77	78	81				
<b>Memo items</b>													
FSU net exports	2.9	3.0	3.4	4.0	4.1	4.5	4.0	4.1	4.3	4.5	5.0	4.3	4.5
<b>(a) - (b)</b>	<b>25.9</b>	<b>26.4</b>	<b>27.7</b>	<b>26.9</b>	<b>25.6</b>	<b>27.5</b>	<b>27.8</b>	<b>26.9</b>	<b>26.8</b>	<b>26.1</b>	<b>27.5</b>	<b>28.7</b>	<b>27.3</b>

Note: Totals may not add up due to independent rounding.

18/7/2001

e = Estimated.

**Table 16**  
**World oil demand/supply balance: changes from last month's table †**  
*mb/d*

	1997	1998	1999	1Q00	2Q00	3Q00	4Q00	2000	1Q01	2Q01	3Q01	4Q01	2001
<b>World demand</b>													
<b>OECD</b>	-	-	-	-	-	-	-	-	-0.1	-0.2	-0.1	-0.1	-0.2
North America	-	-	-	-	-	-	-	-	-0.1	-0.1	-0.1	-0.1	-0.1
Western Europe	-	-	-	-	-	-	-	-	-	-	-	-	-
Pacific	-	-	-	-	-	-	-	-	-	-0.2	-	-	-
<b>DCs</b>	-	-	-	-	-0.1	-0.1	-0.1	-0.1	-0.4	-	-	-	-0.1
<b>FSU</b>	-	-	-	-	-	-	-	-	-	0.3	-0.1	-0.1	-
<b>Other Europe</b>	-	-	-	-	-	-	-	-	-	-0.1	-	-	-
<b>China</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>(a) Total world demand</b>	-	-	-	-	-0.1	-0.1	-0.1	-0.1	-0.6	-0.1	-0.3	-0.2	-0.3
<b>Non-OPEC supply</b>													
<b>OECD</b>	-	-	-	-	-	-	-	-	-	0.1	0.2	0.2	0.1
North America	-	-	-	-	-	-	-	-	-	-	0.1	0.1	-
Western Europe	-	-	-	-	-	-	-	-	-	-	0.1	0.1	-
Pacific	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>DCs</b>	-	-	-	-	-	-	-	-	-	-	0.1	-	-
<b>FSU</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Other Europe</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>China</b>	-	-	-	-	-	-	-	-	-	-	-	0.1	-
<b>Processing gains</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total non-OPEC supply</b>	-	-	-	-	-	-	-	-	-	0.1	0.3	0.2	0.2
<b>OPEC NGLs</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>(b) Total non-OPEC supply and OPEC NGLs</b>	-	-	-	-	-	-	-	-	0.1	0.2	0.3	0.3	0.2
<b>OPEC crude oil production (secondary sources)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total supply</b>	-	-	-	-	-	-	-	-	0.1	-	-	-	-
<b>Balance (stock change and miscellaneous)</b>	-	-	-	-	0.2	0.2	0.1	0.1	0.7	-	-	-	-
<b>Closing stock level (outside FCPEs) mb</b>													
OECD onland commercial	-	-	-	-	-	-	-	-	3	-	-	-	-
OECD SPR	-	-	-	-	-	-	-	-	-	-	-	-	-
OECD total	-	-	-	-	-	-	-	-	3	-	-	-	-
Other onland	-	-	-	-	-	-	-	-	1	-	-	-	-
Oil on water	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total stock</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Days of forward consumption in OECD</b>													
Commercial onland stocks	-	-	-	-	-	-	-	-	-	-	-	-	-
SPR	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Memo items</b>													
FSU net exports	-	-	-	-	-	-	-	-	-	-0.2	0.1	-	-
<b>(a) - (b)</b>	-	-	-	-	-0.2	-0.2	-0.1	-0.1	-0.7	-0.3	-0.6	-0.5	-0.5

† This compares Table 15 in this issue of the MOMR with Table 15 in the June 2001 issue.  
This table shows only where changes have occurred.

**Table 17**  
**World oil stocks (excluding former CPEs) at end of period**

	1995	1996	1997	1998	1999	1Q00	2Q00	3Q00	4Q00	1Q01
<b>Closing stock level <i>mb</i></b>										
OECD onland commercial	2,536	2,546	2,643	2,725	2,471	2,445	2,528	2,566	2,548	2,542
North America	1,168	1,138	1,211	1,283	1,127	1,108	1,165	1,180	1,145	1,149
Western Europe	938	930	940	989	906	927	917	933	948	945
OECD Pacific	430	477	493	454	438	410	446	453	455	448
OECD SPR	1,198	1,199	1,207	1,249	1,228	1,234	1,232	1,237	1,210	1,210
North America	592	566	563	571	567	569	569	572	543	544
Western Europe	307	330	329	362	346	349	349	353	354	351
OECD Pacific	299	303	315	315	315	315	315	312	313	314
<b>OECD total</b>	<b>3,733</b>	<b>3,745</b>	<b>3,850</b>	<b>3,974</b>	<b>3,700</b>	<b>3,679</b>	<b>3,760</b>	<b>3,803</b>	<b>3,758</b>	<b>3,752</b>
Other onland	998	1,001	1,030	1,063	989	984	1,005	1,017	1,005	1,003
Oil-on-water	784	798	812	859	808	829	852	835	864	906
<b>Total stock</b>	<b>5,516</b>	<b>5,544</b>	<b>5,692</b>	<b>5,896</b>	<b>5,497</b>	<b>5,492</b>	<b>5,618</b>	<b>5,655</b>	<b>5,627</b>	<b>5,661</b>
<b>Days of forward consumption in OECD</b>										
OECD onland commercial	55	55	56	57	52	53	53	53	52	55
North America	53	50	52	54	47	46	48	48	47	48
Western Europe	63	62	61	65	60	63	60	61	63	65
OECD Pacific	49	53	59	52	51	51	53	51	48	56
OECD SPR	26	26	26	26	26	27	26	25	25	26
North America	27	25	24	24	24	24	23	23	22	23
Western Europe	21	22	22	24	23	24	23	23	23	24
OECD Pacific	34	34	37	36	36	39	38	35	33	39
<b>OECD total</b>	<b>81</b>	<b>80</b>	<b>82</b>	<b>83</b>	<b>77</b>	<b>79</b>	<b>78</b>	<b>78</b>	<b>77</b>	<b>81</b>
<b>Days of global forward consumption</b>	<b>88</b>	<b>86</b>	<b>88</b>	<b>89</b>	<b>83</b>	<b>84</b>	<b>84</b>	<b>84</b>	<b>84</b>	<b>86</b>

**Table 18**  
**Non-OPEC supply and OPEC natural gas liquids**  
*mb/d*

	1997	1998	1999	1Q00	2Q00	3Q00	4Q00	2000	Change 00/99	1Q01	2Q01	3Q01	4Q01	2001	Change 01/00
USA	8.61	8.39	8.11	8.19	8.18	8.08	8.00	8.11	0.00	7.85	7.92	7.94	7.94	7.91	-0.20
Canada	2.58	2.61	2.60	2.70	2.73	2.70	2.76	2.72	0.13	2.79	2.70	2.79	2.85	2.78	0.06
Mexico	3.42	3.51	3.35	3.43	3.49	3.51	3.38	3.45	0.10	3.56	3.47	3.55	3.57	3.54	0.08
<b>North America</b>	<b>14.61</b>	<b>14.51</b>	<b>14.05</b>	<b>14.32</b>	<b>14.40</b>	<b>14.29</b>	<b>14.14</b>	<b>14.29</b>	<b>0.23</b>	<b>14.20</b>	<b>14.09</b>	<b>14.28</b>	<b>14.36</b>	<b>14.23</b>	<b>-0.05</b>
Norway	3.33	3.08	3.06	3.36	3.20	3.26	3.47	3.32	0.27	3.47	3.26	3.37	3.49	3.40	0.07
UK	2.74	2.77	2.84	2.87	2.59	2.52	2.58	2.64	-0.20	2.53	2.47	2.49	2.49	2.50	-0.14
Denmark	0.23	0.24	0.30	0.36	0.36	0.35	0.38	0.36	0.07	0.37	0.33	0.29	0.32	0.33	-0.04
Other Western Europe	0.49	0.48	0.43	0.41	0.41	0.42	0.42	0.41	-0.02	0.41	0.41	0.41	0.41	0.41	0.00
<b>Western Europe</b>	<b>6.80</b>	<b>6.56</b>	<b>6.63</b>	<b>7.00</b>	<b>6.56</b>	<b>6.55</b>	<b>6.85</b>	<b>6.74</b>	<b>0.11</b>	<b>6.78</b>	<b>6.48</b>	<b>6.56</b>	<b>6.71</b>	<b>6.63</b>	<b>-0.10</b>
Australia	0.64	0.61	0.59	0.80	0.79	0.77	0.73	0.77	0.18	0.74	0.73	0.72	0.72	0.73	-0.04
Other Pacific	0.09	0.08	0.07	0.06	0.06	0.06	0.07	0.06	-0.01	0.06	0.06	0.06	0.06	0.06	0.00
<b>OECD Pacific</b>	<b>0.73</b>	<b>0.69</b>	<b>0.66</b>	<b>0.86</b>	<b>0.85</b>	<b>0.83</b>	<b>0.80</b>	<b>0.83</b>	<b>0.17</b>	<b>0.80</b>	<b>0.79</b>	<b>0.78</b>	<b>0.79</b>	<b>0.79</b>	<b>-0.04</b>
<b>Total OECD*</b>	<b>22.14</b>	<b>21.75</b>	<b>21.34</b>	<b>22.18</b>	<b>21.80</b>	<b>21.67</b>	<b>21.79</b>	<b>21.86</b>	<b>0.52</b>	<b>21.78</b>	<b>21.36</b>	<b>21.62</b>	<b>21.86</b>	<b>21.65</b>	<b>-0.20</b>
Brunei	0.16	0.16	0.18	0.21	0.19	0.17	0.20	0.19	0.01	0.20	0.19	0.17	0.19	0.19	-0.01
India	0.76	0.75	0.75	0.71	0.74	0.75	0.76	0.74	-0.01	0.74	0.72	0.74	0.75	0.74	0.00
Malaysia	0.72	0.72	0.70	0.71	0.69	0.66	0.68	0.68	-0.02	0.70	0.70	0.69	0.67	0.69	0.00
Papua New Guinea	0.08	0.08	0.09	0.07	0.07	0.07	0.07	0.07	-0.02	0.06	0.07	0.07	0.07	0.07	0.00
Vietnam	0.19	0.23	0.26	0.28	0.30	0.31	0.34	0.31	0.05	0.35	0.35	0.37	0.39	0.36	0.06
Asia others	0.20	0.20	0.20	0.24	0.23	0.24	0.24	0.24	0.04	0.25	0.25	0.25	0.24	0.25	0.01
<b>Other Asia</b>	<b>2.11</b>	<b>2.14</b>	<b>2.18</b>	<b>2.22</b>	<b>2.22</b>	<b>2.20</b>	<b>2.28</b>	<b>2.23</b>	<b>0.05</b>	<b>2.30</b>	<b>2.27</b>	<b>2.28</b>	<b>2.31</b>	<b>2.29</b>	<b>0.06</b>
Argentina	0.87	0.88	0.84	0.81	0.81	0.80	0.76	0.79	-0.04	0.80	0.80	0.78	0.77	0.79	-0.01
Brazil	1.09	1.23	1.36	1.42	1.44	1.49	1.63	1.49	0.14	1.57	1.55	1.60	1.62	1.59	0.09
Colombia	0.65	0.75	0.82	0.73	0.71	0.67	0.67	0.70	-0.13	0.64	0.60	0.61	0.62	0.62	-0.08
Ecuador	0.39	0.38	0.38	0.40	0.36	0.42	0.42	0.40	0.02	0.42	0.42	0.44	0.44	0.43	0.03
Peru	0.12	0.12	0.11	0.10	0.11	0.11	0.10	0.10	-0.01	0.10	0.10	0.10	0.10	0.10	-0.01
Trinidad & Tobago	0.14	0.13	0.14	0.14	0.14	0.14	0.14	0.14	0.00	0.13	0.12	0.13	0.12	0.12	-0.01
L. America others	0.11	0.11	0.11	0.11	0.11	0.12	0.13	0.12	0.00	0.13	0.13	0.13	0.14	0.13	0.02
<b>Latin America</b>	<b>3.37</b>	<b>3.62</b>	<b>3.76</b>	<b>3.71</b>	<b>3.68</b>	<b>3.74</b>	<b>3.85</b>	<b>3.74</b>	<b>-0.02</b>	<b>3.77</b>	<b>3.73</b>	<b>3.79</b>	<b>3.81</b>	<b>3.78</b>	<b>0.03</b>
Bahrain	0.19	0.20	0.19	0.19	0.19	0.19	0.19	0.19	0.00	0.19	0.19	0.19	0.18	0.19	0.00
Oman	0.90	0.90	0.91	0.91	0.94	0.98	0.98	0.95	0.04	0.96	0.99	1.00	1.00	0.99	0.03
Syria	0.58	0.56	0.55	0.54	0.53	0.53	0.55	0.54	-0.01	0.54	0.54	0.53	0.55	0.54	0.00
Yemen	0.39	0.39	0.42	0.45	0.45	0.45	0.47	0.45	0.04	0.47	0.47	0.47	0.49	0.48	0.02
<b>Middle East</b>	<b>2.07</b>	<b>2.05</b>	<b>2.06</b>	<b>2.08</b>	<b>2.12</b>	<b>2.16</b>	<b>2.19</b>	<b>2.14</b>	<b>0.08</b>	<b>2.16</b>	<b>2.18</b>	<b>2.19</b>	<b>2.22</b>	<b>2.19</b>	<b>0.05</b>
Angola	0.71	0.73	0.76	0.75	0.75	0.76	0.72	0.74	-0.02	0.72	0.70	0.73	0.72	0.72	-0.03
Cameroon	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.00	0.08	0.08	0.08	0.08	0.08	-0.02
Congo	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.00	0.27	0.27	0.27	0.27	0.27	0.00
Egypt	0.89	0.86	0.83	0.80	0.78	0.80	0.80	0.80	-0.04	0.78	0.74	0.75	0.75	0.76	-0.04
Gabon	0.38	0.38	0.36	0.36	0.36	0.33	0.31	0.34	-0.02	0.31	0.31	0.32	0.33	0.32	-0.02
South Africa	0.19	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.00	0.21	0.21	0.21	0.21	0.21	0.01
Africa other	0.19	0.22	0.28	0.39	0.40	0.41	0.45	0.41	0.13	0.48	0.50	0.50	0.52	0.50	0.09
<b>Africa</b>	<b>2.74</b>	<b>2.76</b>	<b>2.80</b>	<b>2.87</b>	<b>2.86</b>	<b>2.86</b>	<b>2.85</b>	<b>2.86</b>	<b>0.06</b>	<b>2.83</b>	<b>2.80</b>	<b>2.86</b>	<b>2.88</b>	<b>2.84</b>	<b>-0.02</b>
<b>Total DCs</b>	<b>10.29</b>	<b>10.57</b>	<b>10.80</b>	<b>10.88</b>	<b>10.87</b>	<b>10.96</b>	<b>11.16</b>	<b>10.97</b>	<b>0.17</b>	<b>11.06</b>	<b>10.98</b>	<b>11.13</b>	<b>11.23</b>	<b>11.10</b>	<b>0.13</b>
FSU	7.28	7.29	7.47	7.66	7.77	7.99	8.20	7.91	0.44	8.24	8.32	8.35	8.37	8.32	0.41
<b>Other Europe</b>	<b>0.20</b>	<b>0.19</b>	<b>0.18</b>	<b>0.18</b>	<b>0.18</b>	<b>0.18</b>	<b>0.18</b>	<b>0.18</b>	<b>0.00</b>	<b>0.18</b>	<b>0.18</b>	<b>0.19</b>	<b>0.19</b>	<b>0.18</b>	<b>0.00</b>
<b>China</b>	<b>3.25</b>	<b>3.15</b>	<b>3.21</b>	<b>3.26</b>	<b>3.22</b>	<b>3.22</b>	<b>3.22</b>	<b>3.23</b>	<b>0.02</b>	<b>3.29</b>	<b>3.27</b>	<b>3.29</b>	<b>3.30</b>	<b>3.29</b>	<b>0.06</b>
<b>Non-OPEC production</b>	<b>43.16</b>	<b>42.97</b>	<b>43.01</b>	<b>44.15</b>	<b>43.85</b>	<b>44.02</b>	<b>44.55</b>	<b>44.14</b>	<b>1.14</b>	<b>44.56</b>	<b>44.11</b>	<b>44.58</b>	<b>44.94</b>	<b>44.55</b>	<b>0.41</b>
Processing gains	1.55	1.55	1.58	1.65	1.65	1.65	1.65	1.65	0.07	1.69	1.69	1.69	1.69	1.69	0.04
<b>Non-OPEC supply</b>	<b>44.71</b>	<b>44.52</b>	<b>44.58</b>	<b>45.80</b>	<b>45.50</b>	<b>45.67</b>	<b>46.20</b>	<b>45.79</b>	<b>1.21</b>	<b>46.25</b>	<b>45.80</b>	<b>46.27</b>	<b>46.63</b>	<b>46.24</b>	<b>0.45</b>
<b>OPEC NGLs</b>	<b>2.81</b>	<b>2.78</b>	<b>2.86</b>	<b>2.95</b>	<b>2.95</b>	<b>2.95</b>	<b>2.95</b>	<b>2.95</b>	<b>0.09</b>	<b>2.99</b>	<b>2.99</b>	<b>2.99</b>	<b>2.99</b>	<b>2.99</b>	<b>0.04</b>

Note: Totals may not add up due to independent rounding.

\* Former East Germany is included in the OECD.