7 February 1996

HIGHLIGHTS

- Global oil demand in 4Q95 is unchanged from last month's Report at 72.0 mb/d with a 0.2 mb/d reduction in OECD demand being offset by a 0.2 mb/d upward revision to FSU apparent demand. OECD oil demand is now estimated to have increased by 0.8 mb/d to 41.5 mb/d, with the downward adjustment reflecting a major revision to US demand in October and weaker-than-expected fuel oil demand in Europe.
- Global demand in 1Q96 has been revised upwards by 0.1 mb/d to 72.7 mb/d, reflecting stronger growth in Europe. An upward revision of 0.1 mb/d has also been made to global demand for 1996 to 71.6 mb/d, an annual increase of 1.6 mb/d or 2.2%, consistent with the change in European 1Q96 demand and an assumed increase in FSU apparent demand in 4Q96.
- OPEC crude production is estimated to have increased by 0.1 mb/d in January to 25.8 mb/d, while December OPEC production now appears to have been about 80 kb/d lower than earlier estimates because of maintenance in the UAE and month-end Iranian weather-related loading problems.
- Non-OPEC production is believed to have risen by 0.7 mb/d in January from depressed levels in December when the weather was abnormally bad. Revised data for December suggest that impacts on production were even greater than previously thought, resulting in downward adjustments in the December estimates of 0.2 mb/d for the OECD and 0.3 mb/d for the non-OECD. Net FSU exports have been revised downward by 0.2 mb/d for 4Q95, but appear to have recovered partially in January.
- As a result of the changes in global demand and non-OPEC supply, the call on OPEC crude plus stock change for the year 1996 has been increased by 0.2 mb/d to 24.8 mb/d. The "call" is increased to 26.5 mb/d in 1Q96 but is unchanged at 23.7 mb/d in 2Q96.
- Taking into account a 38 mb downward revision to end of November stock levels and a 3.0 mb/d stockdraw in December, OECD industry stocks are assessed to have decreased by 1.4 mb/d, the largest fourth quarter stockdraw for more than a decade. At the end of 1995, stocks are preliminarily estimated to have been 130 mb and 84 mb lower than at the end of 1994 and 1993 respectively. At 59 days of forward demand, stocks were five days and four days lower than in the previous two years and the lowest end-of-year number of days since at least 1980. The largest volumetric difference from 1994 continued to be in the US (down 88 mb) but Japanese stocks were 30 mb lower, as great a decrease as in the US in percentage terms.
- Brent and WTI prices decreased during January by almost $3.00/bbl. A major liquidation of crude and gasoil futures contracts in the second week of January, triggering the sharp decrease in crude and gasoil prices, marked the end of a three-month upward trend in benchmark crude oil prices. The price slide was reinforced during the month by the increasing probability of renewed talks between the UN and Iraq on limited Iraqi oil sales.
- Most product prices decreased sharply in all markets in line with crude prices. The supply tightness of kerosene and gasoil in Asia, and of LSFO in the US, eased with the arrival of arbitrage cargoes. Tight shipping availability and the resulting high freight rates restricted product exports from Europe.
- In January, the cracking margin in Europe decreased, mainly due to high crude freight rates, but the margin in the US increased. The Dubai hydroskimming margin in Singapore remained at a high level as a result of relatively strong kerosene and gasoil prices.
- In December, the aggregate refinery throughputs in OECD countries increased by 0.2 mb/d to 32.7 mb/d, with the steepest increase occurring in the US and Japan. Preliminary indications for January suggest higher throughputs in Japan and lower throughput levels in the US and in Europe.

DEMAND

Summary

- Based on weekly USDOE data, US oil demand in December is estimated to have increased over December 1994 by 0.7%, with strong demand growth for gasoil more than offsetting weak gasoline and residual fuel oil deliveries. However, there is the potential for revisions to the preliminary residual fuel oil data, as colder-than-normal weather and an increase in the price of natural gas are likely to have led to increased residual fuel oil use, particularly in the power generation sector, and an adjustment has been incorporated into the 4Q95 data shown in this Report. In Europe, oil use in the four largest oil-consuming countries declined by 2.0%, with strong gasoil demand more than offset by lower gasoline and residual fuel oil use. Japanese oil demand increased by 6.0%, with demand increasing for all major products. Kerosene and LPG demand increased strongly due to colder-than-normal weather and deliveries of residual fuel oil and crude oil to the power generation sector increased for the first time in eight months.

- Global oil demand in 4Q95 is unchanged from last month's Report with a 0.2 mb/d reduction in OECD demand being offset by a 0.2 mb/d increase in FSU demand. The OECD adjustment reflects a major revision to US demand in October and weaker-than-expected fuel oil demand in Europe, partly offset by strong demand in Japan.

- OECD demand in 1Q96 has been revised upwards by 0.1 mb/d from last month's Report to 41.8 mb/d, consistent with indications of stronger-than-expected European demand in January. This has led to a 0.1 mb/d upward revision to OECD demand in 1996 to 41.0 mb/d, an increase of 0.6 mb/d or 1.4%. Non-OECD demand in 1996 has also been revised upwards by 0.1 mb/d due to adjustments to FSU demand. These revisions have led to a 0.1 mb/d upward adjustment to global demand in 1996 to 71.6 mb/d, an increase of 1.6 mb/d or 2.2%.

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OECD

Demand in December 1995

Table 2 shows total oil demand in October, while Table 3 gives demand in November for the seven largest OECD countries. The table below provides preliminary estimates for inland deliveries for those countries in December. The table now shows diesel and other gasoil separately for all countries except the US where separate data are not available. Diesel fuel deliveries in the US and for the total of the seven countries are shown under "Other Gasoil".

Preliminary Inland Deliveries - December 1995[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]	7.68	-3.1	1.63	+6.2	-	-	3.70	+15.6	0.94	-5.2	18.45	+0.7
Canada	0.59	+1.0	0.09	-3.3	0.31	+2.0	0.17	+20.8	0.15	+4.2	1.46	+1.4
Japan	0.98	+5.2	1.12	+11.2	0.83	+3.7	0.65	+6.2	0.76	+5.1	6.51	+6.0
France	0.35	-3.6	0.09	-4.2	0.47	+2.3	0.47	+16.8	0.13	+32.1	1.91	-0.1
Germany	0.65	-5.0	0.11	+3.0	0.50	-1.9	0.81	+15.7	0.12	-13.6	2.65	+0.1
Italy	0.41	+1.4	0.06	+19.0	0.37	-2.3	0.20	-9.3	0.47	-10.7	1.93	-3.7
UK	0.48	-4.1	0.25	+16.4	0.24	-1.3	0.15	-8.7	0.13	-33.2	1.52	-5.6
European Four	1.88	-3.2	0.51	+9.5	1.57	-0.7	1.62	+9.6	0.85	-11.3	8.01	-2.0
Total[4]	11.12	-2.2	3.35	+8.0	-	-	8.85	+9.0	2.70	-4.1	34.42	+1.0

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
4 preliminary diesel data for the US is unavailable and diesel deliveries for the US and the seven countries combined are shown under "Other Gasoil"
Percentage change is calculated versus December 1994

In December, **US** oil use increased by 125 kb/d, with strong heating oil and jet/kerosene demand more than offsetting weak gasoline, residual fuel oil and "other product" demand. Gasoline deliveries declined by 0.25 mb/d from a year earlier. The decrease was partly due to adverse driving conditions but also reflected the high deliveries in December 1994 as secondary stocks of reformulated gasoline (RFG) were built up ahead of the introduction of RFG in January 1995. In addition, as a consequence of the introduction of RFG, more detailed reporting requirements apparently uncovered some previously unreported blending stocks which increased demand from December 1994 onwards. The unseasonably cold weather in the US led to a significant increase in gasoil demand. On a heating-oil-weighted basis, the US experienced the coldest December since 1989 with 8% more heating days than normal and 27% more than in December 1994. Dissaggregated gasoil data from the American Petroleum Institute (API) indicate that heating oil deliveries increased by 20% and diesel demand increased by 9%. The unseasonably cold weather also contributed to strong jet/kerosene demand due to increased use as a blendstock in gasoil to improve the cold weather properties.

Preliminary data from the Energy Information Administration (EIA) show that residual fuel oil demand declined by 0.17 mb/d despite a reported increase in deliveries to the power generation sector due to strong electricity demand, the interruption of gas supplies to some customers with interruptible contracts and a sharp increase in natural gas prices caused by strong natural gas demand and low gas inventories. The graph below shows that the natural gas price was at a premium to 1% sulphur fuel oil on an energy content basis for the first month since June 1994. The recent price premium compares with a 0.46 $/mBtu discount that prevailed in December 1994. Preliminary EIA residual fuel oil data are often subject to revision and a subsequent adjustment in line with the API's estimate of an increase of 2.8% in residual fuel oil deliveries would increase demand by 0.20 mb/d. The estimate of North American demand in 4Q95 reflects an assumed understated reporting of US residual fuel oil deliveries in November and December (see page 7).

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Note: The New York price of 1% sulphur residual fuel oil is compared with the natural gas price at Henry Hub, Louisiana with $0.50/mBtu added to the gas price to represent typical transport costs from Louisiana to the north-east coast of the US, where gas competes with New York-priced residual fuel oil.

In **Europe**, oil demand in the four largest oil-consuming countries decreased by 2.0%, primarily due to weak demand for naphtha, residual fuel oil and gasoline, which more than offset strong heating oil and jet/kerosene deliveries. The 180 kb/d increase in heating oil in the four largest oil-consuming countries was largely attributable to colder weather than a year earlier. Adverse weather conditions led to weak transport demand, particularly in Germany and the UK. Residual fuel oil deliveries declined by 170 kb/d, mainly due to a significant decrease in deliveries to ENEL and the UK power generation sector. Demand for all fuels was also affected by the fact that there was one less working day than in the previous December.

In **France**, oil demand was essentially unchanged, with strong heating oil and residual fuel oil demand offset by weak naphtha and gasoline deliveries. The increase in heating oil demand was the largest rate of growth since July 1995 when an announced tax increase led to preliminary-buying. On an oil-weighted basis, there were 5% more heating degree days than normal and 31% more than in the previous December when unusually mild weather led to a 19.1% decline in heating oil deliveries. Naphtha deliveries declined for the fourth successive month by 26.7% or 73 kb/d, mainly due to particularly strong demand in 4Q94 and a slowdown in petrochemical demand in 4Q95. Gasoline demand declined for the eighteenth successive month but by less than the 5.0% decline in 1995 as a whole. Residual fuel oil demand increased by 32% or 31 kb/d, primarily due to increased deliveries to the power generation sector. Industrial action led to lower nuclear production and the shortfall in electricity output was partially met by increased oil use.

In **Germany**, oil demand was essentially unchanged, with a 110 kb/d increase in heating oil deliveries almost offset by a decline in demand for all other fuels except jet/kerosene. Despite increased heating oil deliveries, colder-than-normal weather is believed to have led to a drawdown of consumer stocks. Adverse driving conditions contributed to a decline in gasoline and diesel demand. Weak petrochemical requirements led to a decrease in LPG and naphtha deliveries by 11.9% and 4.2% respectively.

In the **UK**, demand declined by the greatest proportion since April 1993 with decreased consumption of all products except jet/kerosene. Residual fuel oil demand fell by 63 kb/d and represented nearly 70% of the total decline in UK oil demand. The reduction in residual fuel oil deliveries was primarily due to the continuing marked price premium of residual fuel oil over natural gas which has led to substitution of residual fuel oil by natural gas in the industrial and power generation sectors. Adverse weather conditions and one less working day contributed to a 5.1% decline in road transport fuel demand. In contrast, the unseasonably cold weather contributed to a 35 kb/d or 16.4% increase in jet/kerosene demand. The slowdown in petrochemical demand led to 8.0% and 21.6% declines in LPG and naphtha deliveries respectively.

Oil demand decreased in **Italy** by the greatest proportion since December 1994 when particularly weak gasoil demand contributed to a 5.0% decline in oil demand. This December, almost 80% of the demand weakness was attributable to lower residual fuel oil deliveries to the power generation sector compared with strong deliveries a year earlier. The strong upturn in jet/kerosene deliveries, which commenced in October 1995, continued in December and is reported to be partly due to increased military flights to Bosnia.

Oil demand in **Japan** increased strongly in December, in comparison with an increase of 1.0% for the year as a whole. Part of the demand strength was attributable to colder-than-normal weather compared with unseasonably mild weather in December 1994. This contributed to a 115 kb/d or 11.2% increase in jet/kerosene deliveries. The colder-than-normal weather was also partly responsible for a 5.3% increase in electricity generation. Deliveries and consumption of crude and oil products in the power generation sector increased by 6.5% and 1.4% respectively, the first annual increases in eight months. Despite increased consumption of oil in the power generation sector, oil, together with coal, hydro and LNG, lost market share to the nuclear sector, which was able to increase its output by 15% due to better operating efficiencies and new capacity. LPG deliveries increased by 6.6% or 50 kb/d, in part due to increased weather-related residential sales, strong petrochemical demand and an 85% increase in deliveries to the power generation sector. Naphtha demand increased by 7.0% or 60 kb/d, despite growth of 18.6% in the previous December. Motor gasoline and diesel demand increased by 5.2% and 3.7% respectively compared with demand increases of 1.8% for both fuels in the whole of 1995. The strength of gasoline demand in December reflected increased purchasing by dealers ahead of an announced increase in wholesale prices. It should be noted that this strength of gasoline demand during 1995, in spite of the weak economic growth, is in part due to a 2.5% increased in car ownership, with essentially all the growth being in large cars.

Demand in 4Q95 and 1995

OECD oil demand in 4Q95 has been revised downwards by 0.2 mb/d from last month's Report to 41.5 mb/d, an annual increase of 0.8 mb/d or 2.0%. Despite the colder-than-normal weather, upward revisions made to the 4Q95 demand estimate for North America and Europe in last month's Report now appear to have been too large. In contrast, Japanese demand in December was greater than anticipated and has led to a 0.1 mb/d upward revision to demand in the Pacific Region. It should be recognised that there continues to be considerable uncertainty about the estimates for 4Q95, particularly in the US (see below).

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

	4Q94	4Q95	Change mb/d	Change %
North America	19.8	20.2 r	0.4	2.0
Europe	14.0	14.3 r	0.3	2.2
Pacific	6.9	7.0 r	0.1	1.8
OECD Total	40.7	41.5 r	0.8	2.1

r revised since last month's Report

North American demand has been revised downwards by 0.1 mb/d from last month's Report, mainly due to a 235 kb/d downward revision to the preliminary estimate of US demand in October. Some 80% of the adjustment was attributable to a revision to gasoil demand but there were also downward revisions for all other major oil products. US demand in October is estimated to have decreased by 0.5% rather than an originally-reported increase of 0.8% (see Table 3). The new quarterly estimate of North American demand remains higher than indicated by preliminary government data as it assumes that US demand data for November and December are likely to be revised upwards by the government. The US EIA's estimate of demand in November remains provisional as Monthly Oil Statistics have not yet been produced due to the current budgetary impasse. While data for gasoil and gasoline deliveries in November and December are consistent with cold weather and resulting poor driving conditions, the reported decline in residual fuel oil deliveries remains suspect. The data are inconsistent with API estimates and many electric utilities are reported to have switched from gas to fuel oil. In addition, residual fuel oil is thought to have met much of the incremental electricity demand resulting from the unusually cold weather. In the past, there have been instances where reporting of fuel oil imports has been incomplete in preliminary demand data and it is possible that this has happened again. In light of these considerations, it has been assumed that the US government's preliminary estimate of residual fuel oil is understated.

European oil demand has been revised downwards by 0.1 mb/d from last month's Report due to weaker-than-expected demand in December. While colder-than-normal weather led to an increase in heating oil deliveries, the adverse weather conditions reduced gasoline demand more than expected. The 60 kb/d decline in residual fuel oil deliveries in the UK was also unexpected. Although UK natural gas prices are at a significant discount to those of residual fuel oil because of high and increasing supply, the reported decline in electricity imports from France and colder-than-normal weather were expected to have a greater effect on demand in residual fuel oil use in the UK power generation sector. The quarterly estimate of demand in the four largest oil-consuming countries incorporated in this Report is somewhat higher than indicated by preliminary government data as these data are most often understated in December.

In the **Pacific** region, demand has been revised upwards by 0.1 mb/d from last month's Report due to the greater-than-expected demand in Japan in December. Strong kerosene deliveries were anticipated due to colder-than-normal weather but gasoline demand and deliveries of crude and residual fuel oil to the power generation sector exceeded expectations. Despite these changes to OECD demand in 4Q95, the rounded estimate of demand in 1995 remains essentially unchanged from last month's Report at 40.4 mb/d, an annual increase of 0.4 mb/d or 1.1%.

Demand in 1Q96 and 1996

OECD demand in 1Q96 has been revised upwards by 0.1 mb/d from last month's Report to 41.8 mb/d, mainly due to a 0.1 mb/d revision to European demand.

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

	1Q95	1Q96	Change mb/d	Change %
North America	19.6	20.1	0.5	2.5
Europe	14.0	14.2 r	0.2	1.5
Pacific	7.3	7.4	0.1	0.8
OECD Total	41.0	41.8 r	0.8	1.8

r revised since last month's Report

North American demand is projected to increase by 2.5% in 1Q96, in part due to colder weather in the

US in January compared with January 1995. On a heating-oil-weighted-basis, the US experienced 14% more heating days than in January 1995 but 3% less than normal. According to preliminary demand data for the four weeks up to 26 January, US demand increased by 5.5%, led by an 18.7% increase in residual fuel oil deliveries. An 8.5% increase in gasoil demand is consistent with the colder weather but an 11.2% increase in jet/kerosene demand may be overstated. Although kerosene use as a blendstock in gasoil will have increased due to colder weather, a significant disruption to air traffic due to the adverse weather conditions is believed to have constrained jet fuel use (see Prices section, page 32). With adverse driving conditions, a reported 3.0% increase in motor gasoline demand may also be too high. In February, assuming normal weather, the rate of oil demand growth is likely to moderate as demand was comparatively high in February 1995 (see graph on page 3) despite the weather being only marginally colder-than-normal.

European demand in 1Q96 has been revised upwards by 0.1 mb/d from last month's Report to 14.2 mb/d, an increase of 0.2 mb/d or 1.5%. This minor upward adjustment reflects indications of colder-than-normal weather in January. In the UK, peak electricity demand coincided with interruptions of gas supply to some power stations and probably resulted in increased residual fuel oil burn in the power generation sector. In contrast, icy conditions at oil terminals in the Rotterdam area and along the Rhine, may have restricted deliveries of gasoil. Independent of the recent weather, demand is expected to be marginally stronger in January due to one more working day than last year. In February, an additional working day and an assumed return to normal weather compared with unseasonably mild weather in February 1995, are expected to lead to quite strong demand. However, this may be partly offset by weaker residual fuel oil deliveries compared to February 1995 when Italian deliveries increased by 32.3%, primarily due to increased requirements from ENEL. In March, an assumption of normal weather and a reduction of two working days compared with last year is likely to lead to lower demand growth than in the quarter as a whole.

In the **Pacific** region, oil demand is projected to increase moderately, mainly due to an assumed slowdown in petrochemical demand in Japan where naphtha deliveries increased by 17.6% in 1Q95. As discussed above, gasoline demand has been robust in recent months and a continuation of this trend should contribute to overall oil demand growth.

Primarily due to the revision to Europe in 1Q96, the projection of OECD demand in 1996 has been revised upwards from last month's Report by 0.1 mb/d to 41.0 mb/d, an annual increase of 0.6 mb/d or 1.4%.

1996 OECD Oil Demand Projections

	1Q96		2Q96		3Q96		4Q96		1996	
	mb/d	change*	mb/d	change*	mb/d	change*	mb/d	change*	mb/d	change*
North America	20.1	0.5	19.8	0.4	20.2	0.4	20.3	0.2	20.1	0.4
Europe	14.2 r	0.2	13.7	0.2	13.9	0.2	14.5	0.2	14.1	0.2
Pacific	7.4	0.1	6.3	0.1	6.4	0.1	6.9	-0.1	6.7	0.0
Total	41.8 r	0.8	39.8	0.6	40.5	0.7	41.8	0.3	41.0 r	0.6

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

Non-OECD

Former Soviet Union

Apparent oil demand in the **Former Soviet Union** (FSU) in 4Q95 has been revised upwards from last month's Report by 0.2 mb/d to 5.0 mb/d. The adjustment has contributed to a 0.1 mb/d upward revision to FSU demand in 1995 to 4.8 mb/d, unchanged from 1994. 1995 is the first year since 1987 in which oil demand is believed not to have declined. Although the estimate may be subject to revision, the latest data illustrate the rapid transformation in FSU oil use from an annual decrease in demand of more than 16% in 1994 to essentially static demand in 1995. The adjustment to 4Q95 apparent demand is due to a downward revision to exports but the extent to which the increase in demand reflects increased consumption or changes in stocking is clearly uncertain. Despite a 0.1 mb/d upward revision to FSU demand in 1996, FSU demand is still assumed to decline marginally over year-earlier levels, pending a better understanding of 1995 developments.

Mexico

Preliminary data indicate that Mexican oil demand decreased by 6.8% or 130 kb/d in 1995 to 1.8 mb/d. Demand has returned to 1993 levels, essentially eliminating the 7% demand growth in 1994. The decline is due almost exclusively to the financial crisis in January 1995 which led to a marked depreciation of the currency and to the introduction of a government stabilisation plan which resulted in increased end-user prices and lower economic activity. Demand declined at a progressively greater rate throughout most of the year due to significant changes in the strength of residual fuel oil demand during the year. Demand increased in 1Q95, led by strong residual fuel oil use in the power generation sector. A drought which started in 3Q94 restricted hydro generation in 1Q95 and the shortfall was met by increased residual fuel oil use. The strong demand for residual fuel oil in the second half of 1994 and a return to normal weather in the latter half of 1995 led to a marked decline in residual fuel oil use. Unlike fuel oil, demand for most other fuels was weak throughout the year, especially in the immediate aftermath of tax increases in April 1995. The rate of decline moderated in 4Q95, consistent with indications of a gradual economic stabilisation. The graph below on the left shows monthly oil demand, which incorporates an estimate of bunker and refinery fuel use. The graph below on the right shows the change in domestic sales by product in 1995 (excluding refinery fuel and bunkers) expressed in volume and in percentage change terms. Almost 60% of the decline in domestic sales was attributable to decreased residual fuel oil deliveries although residual fuel oil represented only 25% of total domestic sales in 1995.

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Non-OECD and Global Demand in 1995 and 1996

Non-OECD demand in 4Q95 has been revised upwards by 0.1 mb/d due to the upward adjustments to FSU demand. Non-OECD demand in 1995 remains essentially unchanged from last month's Report at 29.6 mb/d, an annual increase of 0.9 mb/d or 3.3%. The combined effect of upward revisions to non-OECD demand and a downward adjustment to OECD demand in 4Q95 has left the estimate of global demand in 1995 essentially unchanged at 70.0 mb/d, an annual increase of 1.4 mb/d or 2.0%.

Non-OECD demand in 1996 has been revised upwards by 0.1 mb/d from last month's Report to 30.6 mb/d due to the adjustment to FSU demand. Global demand in 1Q96 has been revised upwards by 0.1 mb/d, consistent with stronger growth in OECD Europe, and by 0.2 mb/d in 4Q96 which is due to increased apparent demand in the FSU. As a result of these changes, global oil demand in 1996 has been raised by 0.1 mb/d to 71.6 mb/d, an increase of 1.6 mb/d or 2.2%.

SUPPLY

Summary

- Substantial increases in world oil supply are believed to have occurred in January, primarily due to the recovery from weather-related outages in December in the North Sea, Latin America and Asia. Total supply reached a record 71.8 mb/d, 855 kb/d above the December level. About three-quarters of the estimated gain occurred in non-OPEC countries.
- An estimated rise of 120 kb/d in OPEC crude oil production to 25.80 mb/d in January of UAE's major field resulted from the return from maintenance, which had lowered December output by considerably more than previously expected, higher Neutral Zone production following year-end production adjustments and an upsurge in Iranian exports to compensate for lost production during bad weather at the end of December. December OPEC crude oil production is now estimated at 25.68 mb/d, about 80 kb/d lower than in last month's Report.
- Non-OPEC supply appears to have grown by 700 kb/d in January as production is estimated to have risen by 360 kb/d for OECD countries and by 340 kb/d for Developing Countries outside of the FSU. FSU oil production is thought to have declined by about 30 kb/d, while processing gain increased by 20 kb/d. Most of the OECD increase came in the North Sea as the UK Forties system is thought to have returned to full operation, adding to production escalation at Norway's Heidrun field and the start-up of three new UK fields. The Non-OPEC Developing Countries gains were centred in China and Brazil.
- Net FSU exports recovered partially in January from depressed 4Q95 levels, despite reduced flows to Eastern Europe via the Druzhba pipeline and the negative impact of higher tariffs on fuel oil.

Non-OPEC Oil Supply
(million barrels per day)

	1993	1994	1995[p]	1996[f]	4Q94	1Q95	2Q95	3Q95	4Q95[p]
CRUDE OIL									
North America	8.28	8.15	8.05	7.98	8.18	8.15	8.07	7.98	8.00
United States	6.85	6.66	6.52	6.42	6.68	6.63	6.56	6.44	6.46
Canada	1.43	1.48	1.53	1.56	1.50	1.51	1.51	1.54	1.55
Europe	4.77	5.61	5.85	6.56	5.99	5.85	5.53	5.77	6.25
North Sea	4.35	5.18	5.43	6.10	5.57	5.43	5.11	5.34	5.83
UK*	1.87	2.37	2.42	2.76	2.54	2.52	2.21	2.40	2.55
Norway	2.28	2.57	2.77	3.10	2.79	2.67	2.67	2.71	3.04
Other North Sea**	0.20	0.24	0.23	0.24	0.24	0.24	0.24	0.23	0.23
Other Europe	0.41	0.42	0.42	0.46	0.42	0.42	0.42	0.42	0.43
Pacific	0.55	0.59	0.56	0.76	0.59	0.56	0.57	0.58	0.54
Australia	0.50	0.54	0.52	0.71	0.55	0.52	0.53	0.53	0.50
Other Pacific	0.06	0.05	0.05	0.05	0.04	0.04	0.04	0.05	0.05
Total OECD	13.59	14.34	14.46	15.30	14.76	14.55	14.17	14.33	14.80
Latin America	5.01	5.17	5.32	5.70	5.22	5.34	5.27	5.54	5.14
Asia (incl. China)	4.60	4.65	4.92	5.15	4.90	4.87	4.88	4.95	4.99
Africa	1.86	1.86	2.02	2.16	1.88	1.95	2.02	2.03	2.07
Other Middle East	1.60	1.77	1.87	1.92	1.82	1.84	1.86	1.89	1.90
Central and East Europe	0.25	0.25	0.24	0.24	0.25	0.24	0.24	0.25	0.24
Total Non-OECD (ex. FSU)	13.32	13.69	14.37	15.16	14.07	14.23	14.26	14.65	14.34
Russia	6.75	6.10	6.00	5.99	6.19	6.03	6.06	5.97	5.95
Other Republics	0.81	0.75	0.83	0.87	0.77	0.76	0.84	0.85	0.86
Total FSU	7.57	6.85	6.83	6.86	6.95	6.79	6.90	6.81	6.81
NGLS & OTHER									
United States	1.97	1.98	2.07	2.07	2.07	2.07	2.08	2.05	2.06
Canada	0.75	0.79	0.86	0.92	0.85	0.88	0.86	0.83	0.89
North Sea	0.30	0.38	0.42	0.49	0.44	0.45	0.39	0.38	0.45
Russia	0.20	0.17	0.18	0.17	0.18	0.21	0.14	0.17	0.20
Other Non-OPEC	1.41	1.44	1.48	1.64	1.47	1.46	1.44	1.48	1.52
Total NGLs & Other	4.62	4.77	5.00	5.28	5.02	5.07	4.90	4.91	5.12
Processing Gains	1.39	1.43	1.48	1.51	1.43	1.48	1.48	1.48	1.48
Total Non-OPEC Supply	40.49	41.08	42.14	44.10	42.23	42.12	41.72	42.18	42.54

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

Summary

Overview of Supply Developments and Revisions

Downward revisions of about 490 kb/d for December 1995 non-OPEC supply estimates generally reflect weather-related difficulties and previously unannounced maintenance activities. There is also a 80 kb/d decrease in estimated OPEC December crude oil production due to maintenance at the UAE Murban field that had not been factored into the previous estimate and weather delays that may have shut in some Iranian production at the very end of the month. The largest revision, of 160 kb/d, was to Chinese production where recently released data from the national oil company show a nearly 50% decline in offshore production, possibly because of the typhoons that swept through the South China Sea in December, and much lower than expected output from smaller onshore fields in South and Central China perhaps due to flooding. Oil production in the US was around 60 kb/d lower than anticipated due to a downward revision in non-crude output, while Norway and Canada now appear to have produced 50 kb/d and 30 kb/d respectively less than thought last month.

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Downward revisions to October and November data for Canada, Australia and India ranging from 30 kb/d to 80 kb/d each contributed to a reduction in estimated 4Q95 non-OPEC supply of 230 kb/d versus last month's estimate. The important question is whether or not these downward revisions provide a reason to lower projected 1996 supply. If the level of the 1996 projections is maintained the lower 1995 base results in an increase in the year-on-year growth, but if the absolute increment is maintained the 1996 levels will be reduced by as much as the 1995 revisions. The best answer probably lies somewhere in between.

For the North Sea, delays in the start-up of half a dozen new UK and Norwegian fields will affect 1Q96 output by shifting the profile of production escalation, but by the second half of the year the effect is expected to be minimal. This North Sea effect is the major contributor to a 115 kb/d downward adjustment in projected 1Q96 OECD European supply. Full production by the new fields and advanced schedules for several UK fields result in higher expected North Sea output in the remainder of the year, especially in 4Q96. US supply estimates for 1Q96 have been lowered by 140 kb/d, even more than North Sea, due to reduced Alaskan production in January and early February and the impact of procedural delays resulting from the budget impasse on production from Federal lands and waters, particularly in the Gulf of Mexico. Consequently, 1Q96 non-OPEC supply is now assessed at 335 kb/d less than the prior estimate, including a 50 kb/d reduction in projected 1Q96 Australian supply because of the delay in the return of the *Cossack Pioneer* production vessel. However, an upward revision for FSU supply of 100-200 kb/d in 2Q96-4Q96 as a result of higher Kazakh and Russian production leave the annual average less than 25 kb/d

The 4Q95 and 1Q96 supply revisions, combined with the 70 kb/d upward revision to global oil demand in 1Q96 have increased the "call on OPEC crude + stock change" by 225 kb/d and 450 kb/d respectively. Nonetheless, the call for full year 1996 of 24.8 mb/d is 0.7 mb/d below 1995's "call". The table below shows the broad evolution of changes in the "call" between 1992 and 1996, separating the impacts of changes in net FSU exports, increasing OPEC NGLs and changes in the net non-FSU demand. Rising net FSU exports in 1993, 1994 and 1996 have a negative impact on the call, while a small decline in 1995 increased it. Similarly, a rising OPEC NGL production in all four years reduces the call on OPEC crude oil (plus stock change). What is different in 1996 is the change in the net demand position (i.e. supply

minus demand) of the non-FSU, non-OPEC group, from a positive impact of 260 kb/d in 1995 to a negative 260 kb/d in 1996. Projected non-OPEC non-FSU supply growth exceeds non-FSU demand increases.

Composition of Recent Annual Changes in "Call in OPEC Crude Plus Stock Change"
(million barrels per day)

	1993	1994	1995	1996
Call of OPEC Crude + Stock Change	24.96	25.19	25.46	24.78
Contributing Factors to Changes in the "Call"				
Impact of Rising FSU Net Exports	-0.37	-0.20	0.02	-0.15
Impact of Increasing OPEC NGLs	-0.15	-0.13	-0.04	-0.27
Impact of Changes to Non-FSU "Net Demand"*	0.98	0.55	0.30	-0.26
Changes in the "Call"	0.46	0.22	0.28	-0.68

* non-FSU demand minus non-FSU, non-OPEC supply

For 1996, using the more traditional presentation, about 60% of the 0.7 mb/d decline is attributable to non-OPEC supply growth, particularly from the North Sea and Latin America, with about 40% coming from increases in OPEC NGL production. Regarding the quarterly pattern, the current OPEC crude production level is 0.7 mb/d below the 1Q96 call, but exceeds the call in each of the remaining quarters of 1996.

1996 Call on OPEC and Oil Plus Stock Change
(million barrels per day)

Change	1Q96	2Q96	3Q96	4Q96	Year	Annual
Global Demand	72.66	69.92	70.36	73.33	71.57	+1.55
Less: Non-OPEC Supply	43.61	43.54	44.03	45.17	44.10	+1.96
Net Non-OPEC Demand	29.05	26.38	26.33	28.16	27.47	-0.41
Less: OPEC NGLs & Other[1]	2.57	2.66	2.75	2.79	2.69	+0.27
Call on OPEC Crude + Stock Change	26.47	23.72	23.59	25.37	24.78	-0.68

1 including Venezuelan Orimulsion plus Saudi Arabian methane inputs to MTBE production

OECD

North America

US crude oil production is estimated to have increased modestly in January, despite lower output from the Alaskan North Slope and disruption to Gulf of Mexico supplies resulting from the government budget impasse. Crude output averaged 6.47 mb/d versus 6.45 mb/d in December. NGL production appears to be continuing to be reduced by "ethane rejection" as discussed in last month's Report, while production of other hydrocarbons and alcohol fuels is thought to have been unchanged.

Alaskan production averaged 1.45 mb/d throughout the first 29 days of January, down about 20 kb/d from the December average. Production was down only slightly during the first three weeks of the month, but dropped to under 1.2 mb/d in the fourth week due to strong winds that resulted in the prohibition of loadings at the port of Valdez during 24-27 January. Because storage had been filled up during the storms in December, pipeline and field operations had to be curtailed while the ban was in effect. Prudhoe Bay production was reduced from December's 838 kb/d to 814 kb/d and Kuparuk field was reduced by 12 kb/d. Conversely production at the Point McIntyre field was increased to a record 153 kb/d to complete start-up of a new well.

Weekly aggregate production data indicate that Lower 48 crude production hovered around the 5 mb/d level during the first three weeks of January. Offshore Gulf of Mexico operations were hampered by the temporary furlough of government employees as a result of the Federal government shutdowns. However, the amount of production affected was only about 10 kb/d for a part of the month and appears to have been offset by higher production levels elsewhere.

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Two recent developments relate positively to the near term production outlook for the Gulf of Mexico and Central California. Several prospects in the deep water Gulf of Mexico have undergone additional testing and development plans have advanced, raising the upside potential from the area in late 1996 to early 1997.Flow rates at currently producing deep water wells and production test wells have exceeded expectations, indicating greater porosity of the source rock and higher permeability for the oil. The oil zones being encountered are also considerably thicker than originally postulated given their distance from the Jurassic period location of the Mississippi delta, causing a favourable rethinking of the geological models of the area. Similarly, an increasingly successful horizontal drilling programme in shallow zones at the Central California Elk Hills field suggests upside potential in that area as well. Offshore California production continues to be limited by restrictions on offshore loading and delays in construction of pipeline capacity to Southern California refineries. Thus any medium-term benefits for California production from the lifting of the Alaskan export ban appear more likely to be seen in the heavy oil fields of the San Joaqin Valley.

Canadian oil production in November is reported by *Statistics Canada* to have increased by 17 kb/d to 2.418 mb/d, as seasonally higher NGL production added 74 kb/d to the November average, more than offsetting 58 kb/d lower Alberta crude oil and bitumen production. Production from Saskatchewan also declined by 10 kb/d, while synthetic fuels output showed an 18 kb/d gain. The higher level of NGL production is consistent with rapidly growing natural gas production, primarily to meet demand for exports to the US. NGL data for September and October were revised upward by about 40 kb/d and 25 kb/d respectively, although the former was more than offset by a nearly 70 kb/d downward revision in Alberta crude production, particularly light and medium grades.

Preliminary estimates for the full year 1995 indicate an annual increase of 115 kb/d with just less than half of the growth in NGL output. Natural gas production rose by 6.9% in 1995 as the result of high demand in the US and expansion of gas pipeline capacity into the US. Exports of crude oil also rose in 1995 due to expansion of the IPL pipeline in late 1994, but additional growth in exports of both oil and gas will depend on capacity expansions as current pipelines appear to be fully committed. Crude oil production in Alberta and Saskatchewan rose in 1995 by 25 kb/d and 20 kb/d respectively, although the gains in Alberta reflected the net result of declining light and medium production and increases in heavy crudes and bitumen. The relative geological maturity of the light oil deposits and widening light-heavy price differentials are likely reason for the divergent pattern. Output from the two synthetic crude oil plants in Alberta rose by 20 kb/d because of better operating efficiencies.

Estimated January 1996 production was about 50 kb/d higher than December's estimate with most of the increase occurring in NGL production, which is thought to have recovered to November levels following an unexpected decline in December. Synthetic crude production is judged to have run at near full capacity of just over 300 kb/d.

North Sea

One of the main components of the expected growth in non-OPEC supply in 1996 is the anticipated increase in North Sea supply resulting from the contribution of a large number of small and medium-sized UK fields coming onstream and the production escalation of two large Norwegian fields that commenced production in late 1995. The North Sea production increment has been adjusted downward slightly since last month's Report to reflect delays in the start-up of a few of the fields, but still exceeds 700 kb/d and continues to be split roughly equally between the UK and Norwegian sectors. However, as can be seen from the table below the bulk of the production gain in the UK sector is from 1996-vintage fields, particularly in the Forties system and individually-loaded offshore fields, while 75% of the Norwegian increase is accounted for by the production escalation of West Troll and Heidrun fields.

Sources of 1996 North Sea Production Increases
(thousand barrels per day)

	New Production 1996 Fields	Production Escalation 1995 Fields	Old Field Declines	Net Change	Production Levels 1995	Production Levels 1996
United Kingdom*	329	45	-42	332	2421	2763
Brent[1]	27	-	-22	5	477	482
Forties[2]	63	18	-2	79	929	1008
Ninian[3]	5	0	17	22	300	321
Flotta	-	-	-18	-18	250	232
Beryl[4]	7	-	-5	1	92	93
Liverpool Bay[5]	62	-	-2	60	0	60
West of Shetlands[6]	54	-	0	54	0	54
Fulmal-Teal[7]	9	-	-1	8	123	131
J-Block[8]	35	-	0	35	0	35
Offshore Loaded[9]	68	27	-10	85	311	396
Norway	78	374	-127	325	2774	3099
Ekofisk & Southern[10]	28	2	-20	10	499	509
Sleipner-Frigg[11]	30	19	-15	34	95	129
Oseberg-Troll[12]	20	133	-10	143	733	876
Statfjord-Gullfaks[13]	-	7	-91	-84	1311	1227
Haltenbanken[14]	-	213	9	222	136	358
Other North Sea	12	0	-4	8	233	241
Denmark[15]	12	-	-4	8	186	194
Netherlands	-	-	-2	-2	38	36
Germany	-	-	2	2	9	11
North Sea Crude	419	419	-173	665	5428	6103
UK NGLs	40	-	3	43	268	311
Norway NGLs	25	2	-5	22	138	160
Netherlands NGLs	-	-	-	0	13	13
Total North Sea	484	421	-175	730	5847	6587

1 Pelican (23 Jan 96)
2 1996 Fields: Thelma (Mar 96); Thelma SE (Apr 96); Keith (May 96); Andrew; Brae West, Sedgewick (July 96); MacCulloch (Nov 6)
1995 Fields: Birch (Sept 95); South Scott (Aug 95); Stirling (Aug 95); Carnoustie (Oct 95)
3 Columba B (July 96);Columba D (July 95)
4 Tay Nevis, Buckland (Aug 96)
5 Douglas, Lennox (17 Jan 96)
6 Foinhaven (May 96)
7 Teal, South Teal, Guillemot A (July 96)
8 Judy, Joanne (July 96?)
9 1996: Harding (Mar 96); Fergus (June 96); Angus (July 96); Banff (Aug 96) Captain (Sept 96)
1995: Blenheim (Mar 95); Fife (Aug 95)
10 1996: Yme (Feb 96); Yme Beta East (May 96)
1995: Gyda South (Aug 95)
11 1996: Sleipner West (Oct 96); Balder (Dec 96/1Q97?)
1995: Froy (May 95)
12 1996: Troll East (Apr 96); Troll West Gas Zone (end-96/early 97)
1995: Troll West (Sept 95)
13 Statfjord Nord (Jan 95)
14 Heidrun (Oct 95)
15 Svend (Feb 96); Roar (October 96)
* including an adjustment to UK field totals for crude oil to avoid double counting of NGLs (-61 kb/d for 1995 and -51 kb/d for 1996)

Estimated North Sea oil production reached a record 6.49 mb/d in January, up 285 kb/d from the December level. Gains of 205 kb/d and 85 kb/d were believed to have occurred in the UK and Norwegian sectors respectively. Three new UK fields, Pelican, Douglas and Lennox started up during the month. Weather difficulties affected offshore-loaded fields in both sectors, but evidently did not have as severe an impact as the freeze-ups in the Forties system in December. About 25% of the monthly increase is accounted for by downward revisions in December data. More complete data for December suggest a downward revision of about 75 kb/d for the total North Sea, 15 kb/d for the UK sector, 50 kb/d for Norway and 10 kb/d for Denmark and the Netherlands.

Crude oil production in the **UK** sector of the North Sea is now estimated to have decreased by 110 kb/d to 2.74 mb/d in December due almost entirely to three separate events in the Forties system that were discussed last month, the freeze-up of onshore equipment at Kinneil, an unannounced testing programme of emergency shutdown valves and technical problems in two of the fields. Although the impact of these

events on Forties system production was in line with estimates, revisions to other UK fields led to a net downward change of 15 kb/d. Brent and Flotta system output fell about 55 kb/d and 25 kb/d short of expectation, while offshore-loaded fields were 65 kb/d higher than initial estimates as weather impacts were less than expected, especially at the Alba and Beryl fields.

January production should have recovered sharply with the expected return of Forties fields to the November levels and a small contribution from new fields. Crude oil production is thought to have averaged 2.625 mb/d a gain of 170 kb/d on December. NGL production is also estimated to have expanded, to 320 kb/d versus 280 kb/d in December, bringing total offshore oil output to 2.94 mb/d. Forties system production is believed to have returned to 1.01 mb/d from 0.91 mb/d in December. Brent system production rose by about 30 kb/d, benefitting from the start-up of the Pelican field on 23 January and the return of the Cormorant Alpha platform on 16 January following completion of the tie-in work for Pelican. Originally Pelican had been scheduled for initial production in March and Cormorant was expected to be out of service for a full three months starting 1 December. Also commencing production in January were the Liverpool Bay Douglas and Lennox field from 17 January which added about half of the 20 kb/d increment from fields outside the four main systems. Ninian and Flotta fields each gained an estimated 15 kb/d in January.

The expected start-up of the offshore-loaded Harding field appears to have been delayed further, into March. The lack of a long enough "weather-window" in December and early January to allow towing out from the Norwegian yard prevented the topsides from being installed until end-January. The disruption in the scheduling of installation of equipment, a 45-well drilling programme and well hook-ups are now expected to delay initial production until March, thus effectively switching places with Pelican. However, peak production for Harding is more than double that of Pelican's 30-35 kb/d, so that there is a small negative impact on total 1Q96 UK production.

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December production from the **Norwegian** sector was less severely impacted by weather than previously thought, but reduced production from the Heidrun field during the installation of gas-injection systems restrained output and lower production levels for the Oseberg-Troll and Ekofisk systems resulted in a downward revision of 50 kb/d for estimated December production. Nonetheless, Norway achieved a record 3.215 mb/d average for the month, including about 150 kb/d of NGLs and condensates counted as NGLs. Higher than anticipated production from the Gullfaks and Snorre fields more than offset a shortfall at the Statfjord field leading to an upward revision of 20 kb/d for the Statfjord-Gullfaks area. Conversely, downward adjustments of 20-30 kb/d each were required for the Ekofisk and Oseberg-Troll areas and for the Haltenbanken area.

Production is thought to have continued to increase in January, by about 85 kb/d to just under 3.30 mb/d. Escalating production at Heidrun raised Haltenbanken production above 300 kb/d versus under 240 kb/d in December, despite difficulties in holding peak levels achieved early in the month. Statfjord-Gullfaks production declined by about 40 kb/d. The Statfjord field in particular appears to be showing signs of ageing, but satellite field production has generally compensated for much of the decline. The Ekofisk and Oseberg-Troll areas increased by an estimated 15 kb/d and 25 kb/d respectively.

Danish crude oil production did not increase as expected in December, holding steady at 182 kb/d. The Gorm, Skjold and Tyra fields did not recover from declines in October and November as had been anticipated. The latter was possibly as the result of work to tie-in the Svend and Roar satellite fields beginning in 1Q96. **Dutch** oil production advanced slightly in December as an increase in P18 field condensate offset declines for the Logger and F3/FB fields.

Pacific

Preliminary data for full year 1995 for **Australia** indicate a decline of 20-25 kb/d to 580 kb/d as lower output from the mature Gippsland Basin off Southeast Australia more than offset a rise in production of crude oil and condensate from new fields in the Northwest Australian Carnarvon Basin. Gippsland output dropped by about 40 kb/d as a result of both geological declines in reservoir pressure and sporadic labour disputes in mid-1995. Carnarvon Basin production compensated for about 25 kb/d of the Gippsland decline but was restrained by significant weather-related reductions and extended maintenance on the *Griffen Venture* production vessel in 4Q95, which resulted in a quarter-on-quarter decline of 35 kb/d for the Carnarvon Basin and 40 kb/d for the country as a whole. The *Cossack Pioneer* production vessel was in service on the Wanaea and Cossack fields only briefly in 4Q95 because of storms and a technical problem with the propulsion system. Wanaea-Cossack had originally been expected to have added over 100 kb/d to Australian production in December.

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January production is estimated to have increased slightly to 595 kb/d from a revised 585 kb/d in December as the *Cossack Pioneer* will not return until 9 February, two full months after it discontinued initial production on 9 December. Repairs had been expected to take six weeks. When the Cossack Pioneer returns in early February, Australian production should rise quickly to well over 700 kb/d. Additional development at the Wandoo field and better operating experience with the Northwest Shelf Development Project (NWSDP) North Rankin and Goodwyn condensate fields should add to the Wanaea-Cossack increases in 1996. Beyond 1996, several new discoveries in the Timor Sea are increasingly likely to be developed, in particular confirmation wells in the Laminaria-Carollina area and at the Elang prospect.

OPEC

January OPEC crude oil production is estimated to have increased by about 120 kb/d from revised December levels to just under 25.8 mb/d. The return of the UAE Murban field from December maintenance and higher Iranian output following last month's supply-reducing weather effects added about 70 kb/d and 50 kb/d respectively to the monthly increase. **Venezuela** is also thought to have increased production by 25 kb/d from new capacity and restored wells. The return of relatively full production from the **Neutral Zone** after "year-end adjustments" in December added just under 15 kb/d. Based on tanker-tracking data, three OPEC countries are believed to have had slightly lower production levels for the month, **Saudi Arabia**, **Libya** and **Kuwait**, the first two by 15 kb/d and the last by 5 kb/d.

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Production from the **UAE** in December now appears to have been around 2.12 mb/d, rather than the prior estimate of 2.18 mb/d. Maintenance at Abu Dhabi's largest producing area, Murban, restricted output to under 815 kb/d versus a normal level between 870-900 kb/d. Some of the Murban decline is thought to have been offset by a 30 kb/d increase in Lower Zakum production over its November level. Murban is believed to have returned to about 870 kb/d in January, adding to small increases in production from the Lower Zakum field and from Dubai, bringing UAE production back to 2.19 mb/d for the month.

Iranian production appears to have surged in the first two weeks of January after very low levels of implied production in the fourth week of December when storms prevented loadings at Kharg Island for most of the week. Large discrepancies in estimates of December Iranian production may be explained by the way in which the trade data is smoothed to approximate production. As has been mentioned in earlier Reports, the approach taken here is to average the first week with the last week of the prior month and last week data with those for the first week of the following month to avoid sharp changes when a cargo leaves a day late or a day early. Further smoothing is sometimes required when even the adjusted monthly data appear to be overly volatile. The rationale for this approach is to recognise the cushioning effect of storage, both at the ports and in the fields. Even sustained problems, either with marketing or with reservoirs' performance, are expected to become evident in the implied "apparent supply" data over a period of months. Estimated production levels for the first two weeks of January exceeded 4.5 mb/d, but dropped to just under 4 mb/d in the third week and 3.5 mb/d in the last week of the month. The calculated average of over 4 mb/d decreases to 3.86 mb/d after averaging the last week of December and has been reduced further to 3.75 mb/d due to the smoothing effects mentioned above. The December average was adjusted downward slightly from 3.73 mb/d to 3.70 mb/d. The result is a slight upward trend over the four months since September, reflecting marketing gains in the Mediterranean versus Russian Urals.

Nigeria's production level is again uncertain with some sources indicating production holding about equal to the December level of 2.04 mb/d, while trade sources show a very low level of 1.68 mb/d implied production during the first week of the month and only modest improvements for the second and third weeks to 1.73 mb/d and 1.88 mb/d respectively. Even with a relatively robust 2.27 mb/d estimate for the fourth week and adjusting for 50-70 kb/d of onshore NGLs included in the figures presented here, the monthly average would be below 1.95 mb/d. Supporting the case for the lower level are reports of lack of Nigerian product exports to some neighbouring states and unusual imports of gasoline into Nigeria. Protests that have been reported at refineries may also be affecting upstream installations. The assumption in the estimates presented here is that only the refineries are affected and that the higher level of production is being maintained, although the downside sensitivity should be recognised.

The anticipated increase in OPEC NGLs, discussed in the Overview section above, is seen occurring throughout OPEC, but the largest increment is expected to be in the UAE. Smaller increases are projected for Algeria, Libya, Qatar, Nigeria and Saudi Arabia. The Bab field development, entailing two reservoirs in the Thamama condensate area, is expected to contribute most of the 110 kb/d increase in UAE NGLs, a reduction of about 50 kb/d from earlier estimates as performance in one of the reservoirs has not met expectations and world condensate markets appear to be well enough supplied to adversely impact the cost threshold for its full development. Qatar's aggressive development of its gas resources for both LNG and

LPG sales is expected to add significantly to NGL production over the next several years, but for 1996 an increase of only about 25 kb/d is expected, with the major developments coming in 1997 and after. Gains of 25-35 kb/d in NGL production are also expected in Algeria, Libya and Nigeria. In the first two countries, this is mostly in conjunction with LNG development, and, for Nigeria, the gain is a result of an expansion to the Oso offshore condensate facilities. For Libya, the extraction of a greater proportion of the liquids from LNG streams is necessary to expand the marketability of the LNG to countries that do not have fractionation plants tied to their regasification facilities.

Former Soviet Union (FSU)

Production

Reported Russian crude oil production for December averaged 5.91 mb/d, down about 20 kb/d from November and about 30 kb/d below expectation. Nearly all of the "new companies" had declining production for the month. Only Lukoil, with a 15 kb/d increase, and the East Oil Company with flat production did not show lower production than in November. However, the declines were small, as Surgutneftegas and Sidanco were the only two companies with monthly declines as great as 10 kb/d. Crude oil production from Kazakhstan is also reported to have declined by 15 kb/d versus an expected increase of about the same magnitude. Two-thirds of the decline was accounted for by joint venture production from the Tengiz area, possibly due to ongoing difficulties in getting capacity in export pipelines through Russia. Small production declines in the Uzen and Aktyubinsk areas accounted for the remainder of the crude oil decline in December. Fully offsetting the decrease in crude oil production was an increase in production of condensates from the Karachaganak field near the Russian oil centre at Orenburg on the Russia-Kazakhstan border.

Russian crude oil production is thought to have decreased in January by about 15 kb/d, with gains for Komi-Tek, Bashneft and Sidanco more than offset by declines for Rosneft and the other new companies. Conversely, production from the other republics is seen advancing by about 10 kb/d in January due to higher crude and NGL production in Kazakhstan and small gains in Azerbaijan and Uzbekstan.

Exports

FSU's seaborne oil exports in January are estimated to have bounced back from December's relatively low level of 1.21 mb/d to 1.36 mb/d, despite delayed loadings at the major Black Sea port of Novorossiisk due to bad weather in both early- and mid- January. Shipment from the port recovered in the latter part of the month and loadings from the other Black Sea ports generally exceeded those in December. The February crude export target set by the Russian Fuels and Energy Ministry indicates a rise from the original January plan and includes some carryover from January. Crude exports to the Czech Republic and Slovakia in January through the Druzhba Pipeline were estimated at 210 kb/d, 70 kb/d less than the average of 1995, reportedly due to an interruption early in the month related to a tariff dispute between Russia and the Ukraine. Fuel oil exports appear to have become uneconomic due to an increased export tariff, which has been raised to 16 ECU/tonne, and have stagnated at around 100 kb/d.

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

	1994	1995[p]	1996[f]	1Q95	2Q95	3Q95[r]	4Q95[p]	Oct[r]	Nov[r]	Dec[p]	Jan[p]
Black Sea Exports*	1.04	†	†	0.83	1.21	1.09	†	0.91	0.76	†	†
Baltic Exports	0.56	†	†	0.39	0.70	0.76	†	0.55	0.52	†	†
Total Seaborne	1.60	1.58	†	1.22	1.92	1.84	1.32	1.46	1.28	1.21	1.36
Druzhba Pipeline**	0.81	0.83	†	0.86	0.78	0.81	0.90	0.88	0.92	0.88	0.85
Total Exports	2.41	2.41	†	2.08	2.69	2.65	2.21	2.34	2.20	2.10	2.21
Imports	0.03	0.04	†	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04
Net FSU Exports	2.39	2.37	2.52	2.04	2.65	2.62	2.17	2.29	2.16	2.05	2.17
NB: Crude Oil	1.91	1.90	†	1.84	1.98	1.97	1.83	1.92	1.83	1.75	1.81
Oil Products	0.47	0.46	†	0.21	0.67	0.64	0.34	0.37	0.33	0.31	0.36

* 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

The estimated 330 kb/d rise in other non-OPEC supply in January occurred in Latin America and Asia as a result of anticipated recoveries from production declines in December. Non-OPEC Latin American production is seen advancing by 185 kb/d for the month, with the return of offshore Brazilian production

following a pipeline break in December and higher Colombian output due to less severe pipeline disruptions as a result of guerrilla activities. Asian oil production rose in January by 140 kb/d due to an expected recovery in Chinese output, particularly offshore, following severe reductions as a result of storms in December. Non-OPEC oil production in Africa and the Middle East are believed to have held at December levels.

Latin America

Data from the **Mexican** national oil company, PEMEX, place December crude oil production at 2.763 mb/d, an increase of 207 kb/d from November and about 15 kb/d above expectations. NGL output also increased, by 21 kb/d to 476 kb/d, but the increase was only about half of what had been anticipated and this was particularly unexpected since natural gas production grew by 132 million cubic feet per day (mmcf/d) to a new record level of over 4 Bcf/d. About one-third of the NGL increase was in ethane production and two-thirds in propane and heavier gas liquids. The increase in the latter had been expected to be greater. It appears that the higher crude oil production resulted from start-up of new field production in the offshore Gulf of Campeche, which brought national crude output to the 1996 target level of 2.85 mb/d by the end of the month.

For 1995, crude oil production averaged 2.618 mb/d with 74% coming from the offshore, a percentage that rose to nearly 76% in December. The offshore share is projected to exceed 81% by the year 2000 versus under 65% in 1985. Oil production was 3.4% below plan because of the autumn hurricane interruptions, while natural gas production rose by 4%. Crude oil production in January was restrained by environmental protests that affected about three dozen wells in the state of Tabasco. It is understood that the affected wells are relatively low flow wells and that most have not been forced to shut in production. PEMEX has legal recourse procedures in place to litigate these types of protest and it would be expected that the authorities would intervene to restore production.

Crude oil exports averaged 1.35 mb/d for December, up 153 kb/d from November when facilities were still being repaired following the hurricane damage in October. All of the increase was in heavy Maya blend crude as a 19 kb/d upward change in Isthmus exports exactly offset a decline in Olmeca exports. Exports to the Far East resumed in December, averaging 57 kb/d for the month, while exports to the US rose by 69 kb/d and to Europe by 28 kb/d.

October data for **Brazil** show crude oil production recovering to 780 kb/d from 755 kb/d in September. Offshore production increased to nearly 595 kb/d, with a new record 540 kb/d of that from the Campos Basin, while onshore output slipped slightly to just over 185 kb/d. Production from the more mature onshore area has remained in the 185-190 kb/d range for the last several months versus production of over 200 kb/d at the beginning of the year. November and December levels are believed to have lagged behind the October record at 740 kb/d and 695 kb/d respectively, in December due to the pipeline break from the Enchova platform mentioned in last month's Report. The average for the year was up a modest 20 kb/d despite the severe disruption in May because of the workers' strikes. Recent projections released by the national oil company Petrobras for 1996 crude oil production concur with the 820 kb/d estimate assumed in this Report. January crude oil output is already thought to have exceeded 800 kb/d.

January **Colombian** crude oil production is estimated to have increased by 65 kb/d from December levels, despite reports of at least one additional pipeline bombing. The pipeline sabotage in December had an unusually large impact on Cusiana production, reducing it to just a 122 kb/d average for the month. Reports are that the full 185 kb/d capacity had been restored by month-end and operations in January are believed to have stayed near that level for most of the month. Typically, the pipeline bombings, of which there have been about 400 over the last 10 years, require minimal repairs to easily accessible pipeline segments and throughput losses are at most for a few days. The December bombings apparently caused more serious damage, whereas the January bombing is thought to have been more typical. Offsetting part of the production increases in Colombia and Brazil was lower production reported for **Peru**, which has seen crude oil production drop to just over 115 b/d from 122 kb/d at the beginning of the year. Attempted privatisation of national oil interests is proceeding slowly, as it is in **Ecuador** (see last month's Report), so that revitalisation of Peruvian upstream is expected to take longer.

Asia

In November, crude oil production in **India** was again reduced due to lower offshore output, which dropped below 400 kb/d for the first time since February 1995. Onshore production has held relatively constant in the 235 kb/d to 245 kb/d range since a brief rally to nearly 250 kb/d in March 1995. The October offshore decline may have reflected maintenance activities. Earlier problems centred on technical difficulties with water-flood systems used to increase oil flow rates. Onshore production has been held below potential by the lack of reliable power supplies to run vacuum pumps in the north-eastern areas and frequent workers' strikes in both Assam and the southern Tamil Nadu area.

Preliminary data from the **Chinese** National Petroleum Company (CNPC) and the Chinese National Offshore Oil Company (CNOOC) show a sharp decline in December crude oil production to under 2.85 mb/d versus 3.03 mb/d produced in November. However, totals for the year suggest December production may have been higher, so that an upward adjustment of 70 kb/d has been made to the preliminary CNPC and CNOOC data. Two major typhoons that struck the South China Sea in December were expected to have caused moderately lower production, but according to the CNOOC numbers, output was down 30% from the November level which had also been affected by storms and was almost 40% below the October peak. Until the data are finalised, estimated December offshore production is being set at about 25% below October's level. Similar problems appear to have affected the onshore data, with western Chinese production reported to be down by 80 kb/d or 23% from November and the Huabei and Henan areas lower by 32% and 12% respectively, following relatively stable production trends for the first eleven months of the year. Even using the adjusted production estimates for December, 4Q95 Chinese production was 25 kb/d below 3Q95 and full-year production recorded a 30 kb/d decline versus 1994. A recovery in production is believed to have started in January with output having risen sharply to 3.06 mb/d due to a recovery in offshore and western production.

In November, China's net imports of crude oil and oil products widened to 315 kb/d, the second highest monthly level of 1995, September being the highest. China was again a net importer of crude oil while net product imports remained at around 250 kb/d. Diesel and fuel oil comprised 84% of oil products imports for the period from January to November 1995. The preliminary estimate of December crude imports indicate a yearly high of more than 600 kb/d, raising the annual average to 342 kb/d, almost equal to the estimate for crude exports of 377 kb/d. Crude exports are thought to have remained above 600 kb/d in January.

Recent events give mixed signals concerning the situation in Vietnam's upstream oil sector. On the negative side, reservoir pressure problems with the Dai Hung field have prevented the accumulation of a full cargo in January on the *Deep Sea Pioneer* floating production storage and offloading vessel. Flow rates have dropped to just over 10 kb/d from almost 30 kb/d in early 1995. As mentioned in last month's Report, improved terms avoided an immediate termination of production and removal of the production vessel, but poor reservoir performance may bring about the same conclusions. On the positive side, the Rang Dong prospect yielded another encouraging appraisal well, tested at more than 7 kb/d of 38°C API light oil, causing a rise in estimated reserves to 250 million barrels. The commerciality of the Ruby prospect remains unresolved as good test wells seem to be followed by bad wells. Similar swings of favourable and unfavourable news about events in **Papua New Guinea** have occurred but the production news is positive, with a recovery in 4Q95 output from the Kutubu area. Government terms on royalties are still undecided. The production gains in November and December to levels of 101 kb/d and 108 kb/d versus just 96 kb/d in October resulted from the tie-in of a new 10 kb/d well and improved flows following workover of some existing Iagifu wells.

Africa and Other Middle East

Production from non-OPEC African and Middle Eastern countries is estimated to have remained essentially unchanged in January after small gains in December in Egypt, Angola, Tunisia and Yemen. Further increases are expected for **Angola** and **Tunisia** later in the year from new offshore fields, while **Egypt's** crude oil production is projected to decline by only about 10 kb/d as western desert production increases offset much of the decline in the mature Gulf of Suez area. Aggressive development of Egyptian gas reserves is expected to result in a small increase in NGL production. A 20 kb/d increase is projected for **Yemen**, but political conditions could jeopardise the expected increase. **Oman's** crude oil production has held level at about 855 kb/d from November to January and is projected to average only about 10 kb/d higher than that for 1996, or just above the target level of 860 kb/d that was recently released by Oman's Ministry of Petroleum and Minerals.

OECD STOCKS

Industry Stock Changes

There has been a 38 mb downward revision to the preliminary estimate of total industry stocks at the end of November. Unusually, almost all the national revisions were in the same downward direction with the largest changes occurring in Canada, Germany, France, Japan and the US. As a result of these adjustments and a smaller downward revision to the end of October levels, the stockdraw in November has been increased from 0.3 mb/d to 1.1 mb/d.

Preliminary estimates indicated a 3.0 mb/d stockdraw in December, the largest December stock decrease for more than four years, reflecting the unique coincidence of colder-than-normal weather in all three regions and a variety of supply disruptions discussed in the Supply section. As shown in the table below, the largest stock reduction occurred in North America and the Pacific, the regions where demand is estimated to have been strongest. Total OECD crude stocks fell by 1.1 mb/d, primarily in North America and in the Pacific, but product stocks fell by 1.8 mb/d with the main decreases being in distillates and "other" products. It should be noted that there is significant scope for revision of these data, with stock changes in other products being particularly difficult to estimate and end of year stocks traditionally subject to significant revisions. The total stockdraw in 4Q95 is now assessed at 1.4 mb/d, the largest fourth quarter stockdraw for more than a decade.

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

	North America	Europe	Pacific	Total
Crude Oil	-0.5	-0.2	-0.5	-1.1
Gasoline	0.2	0.0	0.0	0.2
Distillates	-0.2	-0.2	-0.5	-0.9
Fuel Oil	0.0	0.0	0.0	-0.1
Other Oil*	-0.7	0.0	-0.4	-1.1
Total Oil	-1.2	-0.4	-1.3	-3.0

* includes other products, feedstocks, NGLs and other hydrocarbons

Preliminary Stock Levels for the End of 1995

With total oil stocks at relatively low levels at the beginning of 4Q95 and a significantly greater stockdraw during the quarter than in recent years, stocks at the end of the quarter are estimated to have been 130 mb and 84 mb lower than at the end of 1994 and 1993 respectively. At 59 days of forward demand, stocks were five days and four days lower than in 1994 and 1993 respectively and the lowest end-of-year number of days since at least 1980 (see graph on page 26). The main difference continues to be in the US, which was 88 mb below the historically high level reached a year earlier. However, a new feature is the low level of Japanese stocks, which were 30 mb below the level at the end of 1994 as a result of the very sharp stockdraw in December and the refinery throughput reductions which began in October. As a result of the stockdraw, Japanese industry stocks ended the year at 74 days of demand, only four days higher than the mandatory level set by the Japanese government for emergency purposes. This compares with 84 days a year earlier and an average of 82 days for the first eleven months of 1995. In contrast to the other two regions, total European stocks were close to the average end of December level in the previous three years.

A crucial issue which will affect future market developments is how much stocks in terms of days of forward demand will be rebuilt in the US and Japan, and to what extent Europe may follow the US example of operating at lower stocks.

Regional Stock Developments in December

In **North America**, the steep increase in crude oil stocks in November was reversed in December, reflecting a sharp reduction in crude oil imports. A similar December decline has occurred in the last four years and reflects, in part, a desire to minimise stocks at the end of the year for financial reasons. Crude stocks at the end of December were at the lowest end of year level since before 1990. Gasoline stocks increased, consistent with weak demand and higher production but, at the end of the year, stocks were 14 mb or 6% lower than a year earlier. As a result of the surge in demand, distillate stocks fell and ended the year 27 mb lower than the high level reached at the end of 1994 but were only 8 mb lower than at the end of 1993. Unlike distillate, the increase in fuel oil demand was offset by higher production and imports leaving stock levels were little changed. Weekly USDOE data for the first 26 days of January show a marked slowdown in the stockdraw compared with December. Total stocks are estimated to have

decreased by 0.4 mb/d with declines in distillate (0.6 mb/d) and other oils (0.3 mb/d) partly offset by gains in gasoline (0.3 mb/d) and crude oil (0.2 mb/d).

With total **European** refinery throughputs and production little changed from November, crude oil stocks decreased by 0.2 mb/d and ended the year some 6 mb below average end-of-year levels. Gasoline stock levels continued to build following normal seasonal patterns and, at the end of the month, were at a level similar to a year earlier. Distillate stocks continued to decrease and ended the year 18 mb below the high level at the end of 1994 but 13 mb above the corresponding level in 1994.

In the **Pacific** region, crude oil stock levels dropped sharply with increased refinery throughputs and deliveries to power stations more than offsetting increased imports. As a result of the decline, crude oil stocks, which had been well above earlier year levels since June, fell at the end of December to close to the previous year's level. Gasoline stocks decreased marginally, with higher demand more than offsetting higher production, but continued to be well above levels in earlier years as they had been throughout 1995 (see graph on page 24). Distillate stocks fell sharply, with the weather-related surge in demand exceeding the increase in refinery production and imports. As a result, Japanese distillate stocks continued to follow a lower profile than in previous years, with end-of-year stocks 19% lower than at the end of 1994. Strong demand resulted in a slight decrease in Japanese fuel oil stocks, which ended the year 15% lower than a year earlier.

OECD Industry End Month Stocks
(million barrels)

Gasoline

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Middle Distillates

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OECD Industry End Month Stocks
(million barrels)

Crude Oil

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Fuel Oil

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OECD End Month Industry Stocks

Days[1] Million barrels

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

OIL PRICES AND REFINERY ACTIVITY

Summary

- Early in the second week of January, crude prices decreased appreciably, following a major sell-off of crude and gasoil futures contracts on the NYMEX and the IPE, bringing the three months' upward trend in benchmark crude prices to an abrupt end. Prices came under additional downwards pressure when renewed talks between the UN and Iraq on limited Iraqi oil sales for humanitarian reasons became more probable. Prices started to retrace only in the last days of January, mainly based on fundamentals. Sour crude prices in the Mediterranean continued to be supported by tight regional availability and Urals was traded at a premium to Brent for all of the month. Asian light, sweet crude prices decreased less than those in the Atlantic Basin, mainly due to the tight regional middle distillate availability and to regional crude supply problems. As a result, a significant amount of West African crude was traded into Asia.
- Spot prices for major oil products decreased sharply in all markets consistent with the drop in crude prices. On average, product prices decreased more than those of crude, reflecting the easing of product tightness, in particular of middle distillates in Asia and in the Atlantic Basin. However, fuel oil prices in the US and middle distillate prices in Asia remained at relatively high levels. Product trade within and out of Europe was restricted by tight product tanker availability and resulting high freight rates.
- The average refining margins in Rotterdam decreased in January, mainly due to unusually high freight rates for tankers from the North Sea to the Continent. Unlike in Rotterdam, in the US the average WTI cracking margin increased slightly, reflecting the relative strength in US gasoline and fuel oil prices. The Dubai hydroskimming margin in Singapore averaged substantially higher than in December, mainly supported by strong kerosene and gasoil prices in Asia.
- The aggregate refinery throughputs in OECD countries increased in December by 0.2 mb/d to 32.7 mb/d, consistent with the strong weather-related demand for kerosene and gasoil in the northern hemisphere and relatively attractive refining margins. The steepest increases occurred in the US and Japan but these were partly offset by changes elsewhere. Throughput levels in January are expected to have increased in Japan and decreased in the US and in Europe.
- The yearly average crude refinery throughput in Europe decreased in 1995 for the first time in more than seven years. The slight decrease of 0.4% reflected the lowest annual average Rotterdam cracking margin in more than seven years. Annual average throughput levels increased in Japan and in the US, but by less than in the preceding five years.

CIF Crude Import Costs

Table 8 shows that the preliminary weighted average CIF cost reported for crude imported into IEA countries for November was $16.61/bbl, $0.20/bbl higher than in October. The weighted average CIF price is estimated to have been $17.60/bbl in December and $18.20/bbl in January.

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Spot Crude Oil Prices

The upward trend in benchmark crude oil prices since early October, which was mainly supported by weather-related bullish fundamentals and strong buying by funds and traders, came to a sudden and, again weather-related, end in the second week of January. The coincidence of WTI and Brent reaching the highest values since May 1995 and August 1994 respectively, with forecasts of milder-than-normal weather for the US east coast for the reminder of this winter, triggered a major sell-off of long crude and gasoil positions by funds and traders on both the NYMEX and the IPE. The sell-off was reinforced by the recognition of decreasing spot crude oil demand as the refinery turnaround season approaches. Crude prices then retraced their path slightly, mainly due to minor supply disruptions in the case of WTI and prompt tightness in the case of Brent. In mid-January, new indications of Iraq's willingness to enter into talks with the UN about limited Iraqi crude sales for humanitarian reasons caused crude prices to decrease again. The drop in prices accelerated when talks between the UN and Iraq became more probable and started to retrace only in the last two days of the month, when the date for these talks had been announced and when fundamentals, the cold snap in Europe and an unexpected decrease in US crude stocks, again became the dominant factor. However, prices remained supported during the month by fears of strikes by US oil workers, minor supply disruptions, as discussed in the Supply section above, and developments in Nigeria. Dated Brent prices dropped by $3.45/bbl from their peak at $19.72/bbl and WTI prices have decreased by $2.87/bbl since peaking at $20.27/bbl, in both cases wiping out within some two weeks most of the price increases since last October.

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

					Week Ending:					
	Nov	Dec	Jan	Change	22 Dec	05 Jan	12 Jan	19 Jan	26 Jan	02 Feb
Brent Dated	16.82	17.80	17.84	0.04	18.16	19.33	18.34	17.70	17.19	16.66
Dubai	15.68	16.95	16.49	-0.46	16.92	17.53	17.00	16.36	16.01	15.49
WTI	18.00	18.92	18.80	-0.12	19.12	19.98	19.16	18.64	18.49	17.64
Brent over Dubai	1.15	0.85	1.35		1.23	1.80	1.34	1.34	1.18	1.16
WTI over Brent	1.17	1.12	0.96		0.96	0.65	0.83	0.94	1.29	0.98
Brent 1st month minus 2nd month	0.22	0.38	0.58		0.62	0.95	0.63	0.62	0.41	0.29

In order to illustrate the relationship between oil prices and activities in the futures markets, the graph below shows for NYMEX the weekly average total net futures position in all oil product contracts held by non-commercial organisations, such as investment and hedge funds, and non-reporting traders. The totals reflect the sum of net positions in WTI, heating oil and unleaded gasoline (ULG) contracts by these market participants only. The prices for WTI correspond to the last day of the week used to average the net trading positions and refer to the right hand side scale on the graph.

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Front month Brent prices remained in backwardation throughout the month as shown in the graph below. The level of backwardation decreased sharply from the unusually steep $1.00/bbl in early January to some $0.25/bbl at the end of the month, mainly reflecting the decreasing tightness in North Sea spot crude availability, which was caused, in part, by weather-related loading problems in the North Sea in December and in early January. These loading problems led to delays in shipping schedules, tightened shipping availability and higher tanker rates. The rate for journeys from the UK to the Continent increased from about $0.70/bbl to more than $1.00/bbl in the second half of the month (see graph on page 31).

WTI remained in steep backwardation in January, reflecting the tight crude stock situation in the US, short covering ahead of the expiry of the February contract on the NYMEX and a number of minor short term supply disruptions in Mexico, Colombia and Canada's IPL pipeline. The transatlantic arbitrage possibility for North Sea crude movements to the US remained closed during the month due to the low WTI/Brent differential and steep increases in tanker rates for journeys between the North Sea and the US (see graph on page 31).

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Asian crude oil prices decreased, following the sharp drop in Brent and WTI prices. However, strong demand for kerosene-rich grades amid tight middle distillate availability, continuing Australian production problems at least until early February and strong Chinese demand for light, sweet grades limited the regional market's decline. As shown in the graph on page 31, regional benchmark crudes Tapis and Minas increased sharply relative to Brent, with the Tapis/Brent spread widening by more than $2.00/bbl towards the end of January. The possibility of an imminent loss of 110 kb/d Kutubu production from Papua New Guinea, due to a dispute over equity production share, provided further support to Asian light sweet crude prices throughout January.

Dubai prices increased relative to Brent, consistent with the strengthening in Asian crude grades, in spite of reported cargo availability and indications that no Dubai crude was nominated in the Indian Oil Corporation's latest crude tender. The narrowing of the Brent/Dubai differential resulted in the opening of an arbitrage window for the movement of Brent-related west African crude into the Far East and a number of cargoes were reported to have been traded into the Far East and China.

Tight availability of sour crude in the Mediterranean and strong demand for sour grades kept Urals prices at a premium to Brent for all of the month. Storms in the Black Sea affecting Urals shipments, unavailability of short-haul Syrian grades and Iranian crude reportedly being sold out until mid-February combined to support sour crude prices in the region. However, towards the end of the month, weakening refinery margins in the Mediterranean, which limited crude demand, and rising Urals availability, contributed to the erosion of the Urals premium to dated Brent in the last days of the month.

The first oil from the UK's Liverpool Bay, off the UK west coast, was produced in January as the Douglas field came on stream (see Supply section). Three cargoes of the new grade were sold to north-west European refiners at a discount to dated Brent for delivery in January and February. Liverpool blend is an offshore loaded, light (44° API), sweet grade and is expected to trade eventually at a premium to Brent, once refineries have been able to assess processing yields.

Colombia's Ecopetrol has started selling part of its light, sweet Cusiana grade via short-term contracts to US refiners, beginning with January liftings. Since start up in late June, production has increased to 185 kb/d and Cusiana spot prices have firmed to an average discount to WTI of $0.40/bbl from a discount of $0.75/bbl in June. Term contracts reportedly are linked in half to prices for WTI and in half to dated Brent.

Spot Product Prices in January

The absolute level of product prices decreased in all markets consistent with the sharp drop in crude prices. With the exception of kerosene and gasoils, which decreased relative to crude in all markets, no consistent pattern was apparent in the development of the price spread between crude and other products. On average though, product prices decreased by more than those of crude, contributing to a decrease in refinery margins during most of the month in all markets.

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
Nov	20.22	21.17	22.26	20.77	21.75	21.92	14.80	15.63	15.29
Dec	18.52	22.19	21.83	22.45	23.98	23.86	16.99	18.42	16.68
Jan	18.50	21.16	20.77	22.27	23.20	25.17	17.59	21.84	16.55
Change over month	-0.02	-1.03	-1.06	-0.18	-0.78	1.31	0.60	3.42	-0.14
Week ending:									
22 Dec	18.29	21.86	20.98	23.05	25.03	24.49	17.80	20.04	17.64
05 Jan	18.85	22.79	21.14	23.85	25.40	26.26	18.80	21.84	18.93
12 Jan	18.99	21.18	21.62	23.41	24.39	27.31	18.88	23.13	18.45
19 Jan	18.37	20.72	21.00	21.77	22.54	25.36	17.58	22.36	15.63
26 Jan	18.11	20.49	20.05	21.15	21.88	23.10	16.64	21.54	14.89
02 Feb	18.37	20.95	19.98	21.64	22.47	24.52	16.01	18.76	15.28

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

Monthly average European **gasoline** prices remained almost unchanged from December levels and consequently increased relative to those of crude, increasing however, from low, near crude parity levels. Spot prices remained within a narrow band showing little volatility. The incentive to move gasoline from Europe to the US decreased in early January with the increasing tightness in availability of suitable ships and the resulting rise in freight rates. In the second week of the month, the transatlantic arbitrage possibility closed, consistent with the sharp drop of gasoline futures on the NYMEX. Gasoline trade within Northwest Europe was restricted by icy conditions in oil terminals in the Rotterdam area and along the Rhine, but demand from the Mediterranean and from Nigeria provided an outlet for ample product supply.

Spot gasoline prices in the US decreased sharply in early January and remained within a relatively narrow band for the rest of the month, the monthly average decreasing by about $1.00/bbl. Prices remained under pressure from rising gasoline stocks, the arrival of arbitrage cargoes early in the month and a drop in demand due to severe winter conditions on the US East Coast and in the US Mid-continent. Spot gasoline prices in Singapore decreased during January by about $2.00/bbl, mainly due to weak regional demand and ample product availability.

In spite of the appreciable decrease in crude prices, average monthly **naphtha** prices increased in Europe by about $1.20/bbl. Prices were mainly supported by transatlantic demand for naphtha for gasoline production from the US and Canada in the first half of the month and by tight local availability in the second half of the month. Average naphtha prices increased in Singapore by some $0.50/bbl, primarily due to tight availability. In both markets, naphtha remained in a steep and rising backwardation, reflecting the expected drop in naphtha demand ahead of the announced turnaround schedule for European and Far Eastern petrochemical plants, which shows a concentration of unit turnarounds mainly in the second quarter. The rise in naphtha prices during January resulted in a further decrease in the gasoline/naphtha differential, causing the European reforming margin to remain negative throughout the month.

Kerosene prices decreased in all major markets, with kerosene prices decreasing by more than those of crude. Singapore kerosene prices, which peaked in early January at $33.85/bbl, supported by strong regional demand and refinery problems, experienced the steepest decline from peak levels, dropping by

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more than $7.50/bbl towards the end of the month. The arrival of large arbitrage volumes from Europe, the US and Mexico, coinciding with milder weather in northern Asia and increasing refinery throughputs in Japan, limited regional kerosene demand and exerted downward pressure on spot prices. Regional demand was further reduced as a result of Korean refiners borrowing kerosene from the government's stock pile in order to avoid high import prices.

US spot kerosene prices decreased by some $6.50/bbl from early January peak levels, in part reflecting the sharp decline in NYMEX gasoil futures and a weather related decrease in jet fuel demand when a blizzard grounded aircraft on the US East Coast for two days. The comparatively modest decline in European spot kerosene prices by some $3.50/bbl from peak levels was mainly due to the support kerosene gained from the arbitrage possibility to the Far East early in the month. This arbitrage possibility closed at mid-month, in part due to high freight rates, and led to a kerosene oversupply for the remainder of the month, which was aggravated by the decreasing demand for kerosene as gasoil blendstock.

Singapore **gasoil** prices, which were supported up to early January by firm regional demand, tight spot availability and refinery problems, decreased by more than $4.50/bbl from early month peak levels. Spot prices came under pressure from the influx of large volumes of arbitrage imports from northwest Europe, the Mediterranean and the US. Prices started to retrace slightly in the last days of the month with the onset of strong Chinese buying ahead of the lunar New Year holiday in mid-February.

Spot gasoil prices on the US Atlantic coast decreased by more than $4.50/bbl from early month peak levels, mainly due to a combination of arriving Russian arbitrage cargoes, the influx of shipments from the US Gulf and unexpected increases in gasoil stocks. Persisting milder weather in the second half of the month in the US Northeast reportedly depressed gasoil demand, causing the steep backwardation in heating oil prices to almost disappear.

European spot gasoil prices came under pressure in the second week of January, primarily reflecting a combination of sharp price decreases in IPE gasoil futures contracts following forecasts for milder weather, the closure of the arbitrage possibility to the Far East, in line with tight shipping availability and rising freight rates, and indications of rising Russian gasoil supplies. Spot Rotterdam gasoil prices decreased by more than $3.50/bbl from early January peak levels amid abundant product availability.

Average **LSFO** prices increased substantially in the US and to a lesser extent in Europe and remained almost unchanged in Singapore. Spot US LSFO prices continued to be supported in a tight market by strong utility demand resulting from the cold weather and high US natural gas prices, which caused dual-fired power stations to continue using fuel oil. LSFO prices in the US decreased by less than those of crude and the average LSFO/HSFO differential increased from about $3.20/bbl in December to an unusually wide $6.40/bbl in January, peaking on daily basis at more than $8.00/bbl. Twice during the month spot LSFO prices even surpassed those of gasoil. Towards the end of the month LSFO prices came under pressure from a combination of warmer weather on the US East Coast limiting demand by utilities, ample stocks at utilities and the influx of arbitrage cargoes from Europe.

Although the monthly average price was slightly higher than in December, spot LSFO prices decreased in Northwest Europe by more than those of crude during the month. In spite of the large differential between US East Coast and Rotterdam prices, trade was restricted by tight tanker availability and resulting high freight rates. A developing European LSFO oversupply, a steep backwardation in the market and decreasing demand due to milder weather exerted downward pressure on spot prices. Spot **LSWR** prices in Singapore firmed in early January, mainly supported by the tight availability of regional direct burning crudes but prices started to decrease by more than those of crude when the January LSWR export allocation from Indonesia was increased substantially.

Monthly average **HSFO** prices increased by about $0.80/bbl in Singapore and by $0.20/bbl in the US, and decreased by some $0.15/bbl in Europe. The relative strength of HSFO prices in Singapore was due to strong regional demand, mainly from India, where a change of crude slate towards lighter, middle-distillate-rich grades decreased indigenous HSFO production, and from China, ahead of the lunar New Year break. During the month, HSFO prices came under pressure from arbitrage cargoes arriving from the Mediterranean and from weak bunker fuel demand. Spot HSFO prices in the US and in Europe decreased sharply, consistent with the drop in crude prices and the weather-related decrease in demand.

The premium for Russian atmospheric residue (**E4**) over HSFO decreased slightly from the high December level, averaging $1.00/bbl, reflecting limited but increasing Russian supplies and continuing low European hydroskimming margins.

End-User Product Prices

In January, mid-month end-user product prices increased for all products in the European and North American countries shown in Table 9, with the exception of Germany, where gasoline prices decreased, France where gasoline prices decreased on a pre-tax basis only and Canada where heating oil prices remained unchanged. The increase in prices was in line with surging spot product prices up to early January and reflected excise tax increases on 1 January for all products in France and Spain. It should be noted that tax increases also occurred in Belgium for gasoline, in Denmark for transportation fuels and heavy fuel oil, in Greece for all products, in Ireland for transportation fuels and in the Netherlands and Finland for transportation fuels and heating oil.

Gasoline prices increased most in Spain and in the US, while automotive diesel prices increased most in France and in Spain. Gasoline prices in the US increased following a decline over the previous five months.

Domestic heating oil prices increased sharply in the UK, reaching the highest point in five years. With water levels on the Rhine back to average, freight rates for barge transportation from Rotterdam to German and Swiss ports decreased from the highest level in over four years to normal levels, reducing the pressure on end-user heating oil prices along the Rhine valley into Switzerland. Fuel oil prices for industry increased in all European countries, supported by sharp increases in spot fuel oil prices.

As shown in the graph on page 31, there has been considerable movement in Japan's end-user product prices ahead of 1 April, when a law, which prohibits oil product imports by non-refining entities, expires and is not being renewed, in line with the government's deregulation policy. The expectation of increased competition from imports has led to appreciable reductions in end-user prices well in advance of the expiry of the law.

Refining Margins

Monthly average refining margins for Brent crude in Rotterdam decreased in January, mainly due to the appreciable increase in North Sea crude tanker rates (see graph on page 31), which averaged some $0.25/bbl higher. Relative to crude, the prices of kerosene, gasoil and LSFO decreased, while gasoline and naphtha prices increased. Without the tanker rate effect, the Rotterdam hydroskimming margin would have increased slightly compared to the previous month and the cracking margin would have decreased by less. Tight shipping availability for products left LSFO and middle distillates in Europe, which, given the product differentials to the US for LSFO and to Asia for distillates, might otherwise have been exported, thus supporting European refining margins.

Average cracking margins for WTI in the US Gulf increased slightly, primarily due to supportive LSFO and gasoline prices. The appreciable decrease in the Brent cracking margin in the US Gulf was mainly due to exceptionally high transport costs, with tanker rates increasing on average by $0.45/bbl for 80 kDWT vessels in January, as shown in the graph on page 31.

The monthly average Dubai hydroskimming margin in Singapore increased appreciably in January. The margin continued to increase sharply in the first week of the month, peaking at about $4.40/bbl before decreasing in line with the decrease in kerosene prices. In the last week of January the margin started to increase again on the back of strengthening middle distillate prices, which were supported by strong demand, mainly from China.

Refining Margins in Major Refining Centres
(monthly and weekly averages, $/bbl)

					Week Ending:					
	Nov	Dec	Jan	Change	22 Dec	05 Jan	12 Jan	19 Jan	16 Jan	02 Feb
NW Europe										
Brent (Hydroskimming)	-0.16	-0.04	-0.13	-0.10	0.12	-0.31	0.49	-0.22	-0.48	0.01
Brent (Cracking)	1.54	1.37	1.05	-0.32	1.41	0.93	1.65	0.87	0.67	1.37
US Gulf Coast										
Brent (Cracking)	0.40	0.43	0.10	-0.32	0.43	0.45	0.44	-0.17	-0.28	0.37
WTI (Cracking)	0.08	0.23	0.53	0.29	0.39	0.82	0.82	0.31	0.05	1.04
ANS (Cracking)	0.66	0.92	0.85	-0.07	1.13	1.16	1.24	0.67	0.34	1.15
Singapore										
Brent (Hydroskimming)	0.78	1.28	2.88	1.61	2.10	3.12	4.04	3.06	1.77	2.70

Refinery Crude Throughputs in December

The aggregate refinery throughputs for December in OECD countries increased by 0.2 mb/d to 32.7 mb/d from the revised aggregate November level, with the steepest increases occurring in the US and Japan, which were partially offset by a decrease in Canada. Preliminary data suggest that throughput levels remained almost unchanged in Europe and Australasia. Total throughputs were 0.37 mb/d or 1.1% lower than a year earlier.

Refinery Crude Throughput in OECD Countries

	million barrels per day						% change from previous year	
	Aug	Sept	Oct	Nov	Dec*	Jan-Dec 1995*	Dec	Jan-Dec 1995
OECD Europe	12.55	12.48	12.12	12.49	12.48	12.19	-1.6	-0.4
France	1.65	1.63	1.55	1.62	1.78	1.59	9.6	2.6
Germany	2.19	2.23	2.03	2.01	2.01	2.09	-9.4	-4.6
Italy	1.59	1.62	1.65	1.66	1.72	1.60	0.9	-0.7
Netherlands	1.15	1.00	1.12	1.20	1.22	1.14	7.1	4.8
UK	1.68	1.81	1.82	1.88	1.68	1.69	-3.5	0.2
US	14.3	14.47	13.63	13.84	14.05	14.03	0.4	1.2
Canada	1.31	1.26	1.24	1.41	1.28	1.30	-3.8	-0.8
Japan	4.18	4.07	3.90	4.26	4.39	4.17	-4.4	0.1
Australia/New Zealand	0.59	0.56	0.49	0.52	0.53	0.54	-0.2	-5.9
OECD Total	32.93	32.83	31.39	32.52	32.73	32.22	-1.1	0.7

* estimated

Total crude throughputs to distillation units in Europe remained unchanged in December at 12.5 mb/d, with throughput increases in Belgium and France mainly offset by a decline in throughput in the UK and in a number of countries in the Mediterranean. Total throughputs were 0.2 mb/d or 1.6% lower than a year earlier. High refinery utilisation rates in Northwest Europe in December were mainly supported by good refining margins.

Crude throughputs in the US increased in December by 0.2 mb/d to 14.05 mb/d, the highest December level in more than seven years, in spite of prolonged refinery turnarounds on the US West Coast in preparation for the introduction of a new gasoline grade in March and unplanned refinery outages. Throughput was 0.4% or 70 kb/d higher than a year earlier, consistent with firm US product demand and low stocks.

Japanese crude throughputs increased by 0.1 mb/d to 4.4 mb/d in December following the normal seasonal pattern and consistent with increased demand. However, throughputs remained lower than a year earlier.

Refinery throughputs in Japan are expected to rise in January, consistent with strong refining margins and the continuing firm demand for middle distillates and fuel oil. A combination of weak refining margins and increasing product oversupply suggests a decrease in European refinery throughput levels. Weekly US statistics suggest that January throughput levels decreased by about 0.25 mb/d, mainly due to weak refining margins, unscheduled refinery outages and the shutdown of a 180 kb/d refinery towards the end of the month.

Singapore refinery throughputs fell to 1.15 mb/d in December due to the unplanned turnaround at Mobil's refinery early in the month and the seven-day outage of a 120 kb/d crude distillation train at the SRC refinery in the last week of the month.

Refinery Crude Throughputs in 1995

Yearly average refinery throughputs in OECD countries increased by only 0.23 mb/d or 0.7% to 32.22 mb/d in 1995, after increasing by 2.3% in 1992, 1.9% in 1993 and 1.2% in 1994.

European throughputs decreased in 1995 for the first time in more than seven years with the yearly average refinery crude throughput for European OECD countries declining by 50 kb/d or 0.4% to 12.2 mb/d after increases averaging about 1.5% in the previous two years and 3.3% in the three years before that. The decrease in refinery activity coincides with the lowest annual average Rotterdam refinery cracking margin in more than seven years and suggests a correlation with the observed surplus in European upgrading capacity and the specifics of the type of upgrading units found in Europe.

Crude intake to distillation units in the US increased in 1995 by 0.16 mb/d or 1.2% to 14.0 mb/d after increases of 1.9% and 1.3% respectively in the preceding two years. Crude distillation capacity in the US increased in 1995 for the first time for several years due to debottlenecking and incremental expansion projects at existing refineries.

After increasing by 4.5% in 1994, 2.7% in 1993 and more than 6% in the three years before that, crude intake to Japanese refineries remained almost unchanged in 1995. The cutback in throughput in the last three months of the year contributed to this relative stagnation in throughputs.

Refining Industry Developments

Thailand's new 145 kb/d complex Rayong refinery, a joint venture between the states' PTT and Shell started up in early January, and is carrying out test runs at 60% of capacity. First product deliveries were expected by the end of January. Rayong is reportedly planning to buy crude on the spot market during the three-month start-up phase before entering into trial term deals for a period of some six months. The final crude slate is expected to be 70% sour Middle East crude with the balance being sweet, regional crudes.

In early January, BP announced its intention to sell its Lavera refinery in southern France and its US refinery in Lima, Ohio and to close within three years the Pernis section of the Rotterdam Nerefco refinery, in which it has a 65% stake. The company's 190 kb/d US Marcus Hook refinery had already been sold to Tosco in November. In total, this represents a reduction of BP's global refining capacity of about 600 kb/d to 1.4 mb/d, a decrease of some 30%.

BP's 180 kb/d Marcus Hook, Pennsylvania refinery, which was sold to Tosco Corporation in November, has been shut down at the end of January following the failure of negotiations between the refinery's new owner Tosco and the oil workers union. Tosco earlier announced plans to cut throughput at the refinery by about 20% and to reduce staff by some 25% once it takes over the facility from BP in February. The refinery is reportedly expected to remain shut down for several months before eventually being started up again.

BP is reportedly withdrawing from a planned 125 kb/d grassroots refinery project in Indonesia due to problems with the economic viability of the project. BP plans to upgrade existing facilities in the region instead.

The 70 kb/d Zeitz refinery in Eastern Germany was reportedly closed down permanently at the end of December. The closure was expected in the context of the nearby new grassroots 200 kb/d Leuna refinery, which is currently under construction. The closure of the existing 100 kb/d Leuna refinery is not expected before the start-up of the new facility.

In January, South Korea's Honam Oil Refinery Company had to shut down a 130 kb/d crude distillation unit at its Yeochon refinery following an interruption of electricity supply to the plant. The refinery outage lasted about five operating days. Exxon Corporation shut down a 200 kb/d crude distillation unit and a 60 kb/d reformer for two operating days at its US Baytown, Texas refinery following a fire in a pump.

German diesel fuel imports have increased and refinery diesel production has decreased since September compared to the previous year's figures. Imports of legally admissible 0.2% sulphur diesel started to increase when German refineries began voluntarily to switch completely to the production and delivery of higher priced 0.05% sulphur diesel as from 1 October, one year prior to the EU-wide introduction of the low sulphur diesel grade in October 1996. Refiners lost market share primarily in the wholesales market and reportedly had to reduce diesel production and, in some cases, to even sell 0.05% sulphur diesel at lower prices than imported 0.2% sulphur material. This has counteracted the refiners intentions to start to recover the sizeable investment costs for desulphurisation as early as possible. The spot premium for 0.05% sulphur diesel fuel has dropped to $1/tonne over 0.2% sulphur diesel from some $5/tonne in December, reflecting the weak demand for this grade.

Product Specifications

Norway's Statoil reportedly began voluntarily selling 98 octane and 95 octane unleaded gasoline with maximum 2% benzene content in Denmark and in parts of Norway. The legally admissible maximum benzene level in those two countries is currently 5%.

South Korea reduced the maximum sulphur content for domestic fuel oil use last October from 1.6% sulphur content to 1.0% sulphur content. A further reduction in maximum allowable sulphur content to 0.3% reportedly is planned for July.

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Table 1

WORLD OIL SUPPLY AND DEMAND

(million barrels per day)

	1992	1993	1Q94	2Q94	3Q94	4Q94	1994	1Q95	2Q95	3Q95	4Q95	1995	1Q96	2Q96	3Q96	4Q96	1996
DEMAND																	
OECD																	
North America	19.0	19.2	19.9	19.4	19.7	19.8	19.7	19.6	19.5	19.8	20.2	19.8	20.1	19.8	20.2	20.3	20.1
Europe	13.6	13.6	13.7	13.3	13.5	14.0	13.6	14.0	13.6	13.7	14.3	13.9	14.2	13.7	13.9	14.5	14.1
Pacific	6.3	6.3	7.1	6.0	6.4	6.9	6.6	7.3	6.2	6.3	7.0	6.7	7.4	6.3	6.4	6.9	6.7
TOTAL OECD	38.9	39.1	40.7	38.7	39.7	40.7	40.0	41.0	39.2	39.8	41.5	40.4	41.8	39.8	40.5	41.8	41.0
NON-OECD																	
FSU[1]	7.1	5.7	5.3	4.4	4.6	4.9	4.8	5.1	4.5	4.5	5.0	4.8	5.1	4.5	4.3	4.9	4.7
Europe	1.3	1.3	1.4	1.4	1.3	1.4	1.4	1.5	1.4	1.3	1.4	1.4	1.6	1.5	1.4	1.5	1.5
China[2]	2.7	3.0	3.1	3.1	3.1	3.2	3.1	3.2	3.3	3.4	3.4	3.3	3.4	3.5	3.6	3.6	3.5
Other Asia	6.5	7.0	7.4	7.2	7.2	7.9	7.4	8.0	7.8	7.6	8.4	8.0	8.5	8.3	8.1	9.0	8.5
Latin America	5.5	5.7	5.7	5.8	5.9	6.0	5.9	6.0	5.9	6.0	5.9	6.0	6.1	6.1	6.2	6.2	6.2
Middle East	3.6	3.9	4.0	4.0	4.1	4.1	4.0	4.0	4.0	4.1	4.1	4.1	4.1	4.1	4.2	4.2	4.1
Africa	2.0	2.1	2.1	2.1	2.0	2.1	2.1	2.1	2.2	2.0	2.2	2.1	2.2	2.2	2.1	2.2	2.2
TOTAL NON-OECD	28.7	28.6	29.0	27.9	28.2	29.7	28.7	30.0	29.1	29.0	30.4	29.6	30.9	30.1	29.9	31.5	30.6
TOTAL DEMAND [3]	67.5	67.7	69.7	66.6	67.9	70.3	68.6	71.0	68.3	68.8	72.0	70.0	72.7	69.9	70.4	73.3	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	10.9	11.0	11.0	10.9	10.9	11.1	11.0
Europe	4.8	5.1	5.9	6.0	5.8	6.5	6.0	6.4	6.0	6.2	6.8	6.3	7.0	6.7	7.0	7.7	7.1
Pacific	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.8	0.9	0.9	0.9	0.9
TOTAL OECD	16.6	16.8	17.5	17.4	17.4	18.3	17.6	18.1	17.7	17.7	18.4	18.0	18.8	18.5	18.8	19.7	18.9
NON-OECD																	
FSU	8.9	7.9	7.1	7.0	7.2	7.3	7.2	7.1	7.2	7.1	7.2	7.1	7.2	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	3.1	3.1	3.1	3.1
Other Asia	1.8	1.8	1.9	1.9	2.0	2.0	1.9	2.0	2.1	2.1	2.1	2.1	2.2	2.2	2.2	2.3	2.2
Latin America	5.7	5.8	5.9	5.9	6.0	6.0	5.9	6.1	6.0	6.3	5.9	6.1	6.4	6.5	6.5	6.6	6.5
Middle East	1.5	1.6	1.7	1.8	1.8	1.8	1.8	1.9	1.9	1.9	1.9	1.9	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	2.4	2.4	2.5	2.4
Processing Gains[4]	1.3	1.4	1.4	1.4	1.4	1.4	1.4	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
TOTAL NON-OPEC	40.9	40.5	40.7	40.4	40.9	42.2	41.1	42.1	41.7	42.2	42.5	42.1	43.6	43.5	44.0	45.2	44.1
OPEC																	
Crude	24.1	24.7	24.9	24.9	24.9	25.2	25.0	25.2	25.2	25.6	25.6	25.4					
NGLs	2.1	2.3	2.3	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.5	2.4	2.6	2.7	2.7	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					
TOTAL SUPPLY [5]	67.1	67.4	68.0	67.7	68.2	69.8	68.4	69.7	69.4	70.1	70.7	70.0					
STOCK CHANGE AND MISCELLANEOUS																	
REPORTED OECD																	
Industry	-0.1	0.1	-1.4	1.3	1.0	-0.4	0.1	-1.2	0.7	0.4	-1.4	-0.4					
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					
TOTAL OECD	0.0	0.2	-1.3	1.3	1.0	-0.3	0.2	-1.1	0.6	0.5	-1.4	-0.3					
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					
Miscellaneous to balance[6]	-0.4	-0.6	-0.3	-0.3	-0.5	-0.1	-0.3	0.1	0.3	0.3	-0.2	0.1					
TOTAL STOCK CH. & MISC.	-0.4	-0.3	-1.7	1.1	0.3	-0.5	-0.2	-1.3	1.0	1.4	-1.3	-0.1					
Memo items:																	
FSU Net Exports	1.8	2.2	1.8	2.7	2.7	2.4	2.4	2.0	2.7	2.6	2.2	2.4	2.1	2.7	2.9	2.4	2.5
Call on OPEC crude + Stock ch.[7]	24.5	25.0	26.7	23.8	24.6	25.7	25.2	26.5	24.2	24.2	26.9	25.5	26.5	23.7	23.6	25.4	24.8
Total Demand ex. FSU (mb/d)	60.4	62.0	64.5	62.2	63.4	65.4	63.9	65.9	63.8	64.3	67.0	65.2	67.6	65.5	66.0	68.4	66.9
Total Demand ex. FSU (% ch.)[8]	3.0	2.6	3.5	3.2	3.5	2.1	3.1	2.2	2.6	1.5	2.3	2.2	2.6	2.6	2.7	2.2	2.5

1 Figures for FSU are apparent demand derived from official production figures and quarterly trade data.
2 Annual Chinese demand is estimated from production and (adjusted) trade data; quarterly figures represent estimates of domestic oil deliveries and are not derived from trade data.
3 Measured as deliveries from refineries and primary stocks, comprises inland deliveries, international marine bunkers and refinery fuel. It includes crude for direct burning, oil from non-conventional sources and other sources of supply.
4 Net of volumetric gains and losses in refining process (excludes net gain/loss in former USSR, China and non-OECD Europe) and marine transportation losses.
5 Comprises crude oil, condensates, NGLs, oil from non-conventional sources and other sources of supply.
6 Includes changes in non-reported stocks in OECD and non-OECD areas.
7 Equals total demand minus total non-OPEC supply minus OPEC NGLs. Thus includes "Miscellaneous to balance" for historical time periods.
8 Year on year % growth in global oil demand excluding FSU.

Table 1A

WORLD OIL SUPPLY AND DEMAND: CHANGES FROM LAST MONTH'S TABLE 1

(million barrels per day)

	1992	1993	1Q94	2Q94	3Q94	4Q94	1994	1Q95	2Q95	3Q95	4Q95	1995	1Q96	2Q96	3Q96	4Q96	1996
DEMAND																	
OECD																	
North America	-	-	-	-	-0.1	0.1	-	-	-	-	-0.1	-	-	-	-	-	-
Europe	-	-	-	-	-	-	-	-	-	-	-0.1	-	0.1	-	-	-	-
Pacific	-	-	-	-	-	-	-	-	-	-	0.1	-	-	-	-	-	-
TOTAL OECD	-	-	-	-	-	-	-	-	-	-	-0.2	-	0.1	-	-	-	0.1
NON-OECD																	
FSU	-	-	-	-	-	-	-	-	0.1	-	0.2	0.1	-	-	-	0.2	0.1
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Asia	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Latin America	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Middle East	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Africa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NON-OECD	-	-	-	-	-	-	-	-	-	-	0.1	-	-	-	-	0.2	0.1
TOTAL DEMAND	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-	-	0.2	0.1
SUPPLY																	
OECD																	
North America	-	-	-	-	-	-	-	-	-	-	-0.1	-	-0.1	-	-	-	-
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-0.1	-0.1	-	-	-
Pacific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-0.1	-0.1	-
TOTAL OECD	-	-	-	-	-	-	-	-	-	-0.1	-0.1	-	-0.3	-0.1	-	-	-0.2
NON-OECD																	
FSU	-	-	-	-	-	-	-	-	0.1	-	-	-	-	0.1	0.2	0.2	0.1
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	-	-	-0.1	-	0.1	-	-	-	-
Other Asia	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Latin America	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Middle East	-	-	-	-	-	-	-	-	-	-	-	-	-0.1	-0.1	-	-	-
Africa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Processing Gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NON-OPEC	-	-	-	-	-	-	-	-	0.1	-	-0.3	-0.1	-0.3	-	0.1	0.1	-
OPEC																	
Crude	-	-	-	-	-	-	-	-	-	-	-0.1	-					
NGLs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-0.1	-	-
TOTAL OPEC	-	-	-	-	-	-	-	-	-	-	-	-					
TOTAL SUPPLY	-	-	-	-	-	-	-	-	0.1	-	-0.2	-					
STOCK CHANGE AND MISCELLANEOUS																	
REPORTED OECD																	
Industry	-	-	-	-	-	-	-	-	-	-0.2	-0.6	-0.2					
Government	-	-	-	-	-	-	-	-	-	-	-	-0.1					
TOTAL OECD	-	-	-	-	-	-	-	-	-	-0.2	-0.7	-0.2					
Floating Storage/Oil in Transit	-	-	-	-	-	-	-	-	-	-	0.3	-					
Miscellaneous to balance	-	-	-	-	-	-	-	-	-	0.1	0.1	-					
TOTAL STOCK CH. & MISC.	-	-	-	-	-	-	-	-	-	-	-0.3	-0.1					
Memo items:																	
FSU Net Exports	-	-	-	-	-	-	-	-	-	-	-0.2	-	-	0.1	0.2	-	-
Call on OPEC crude + Stock ch.	-	-	-	-	-	-	-	-	-	-	0.2	0.1	0.5	-	-0.1	0.2	0.2
Total Demand ex.FSU	-	-	-	-	-	-	-	-	-	-	-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 0.1mb/d.

Table 2

OECD REGIONAL OIL DEMAND

(million barrels per day)

	July			August			September			Third Quarter			October		
	1994	1995	%	1994	1995	%	1994	1995	%	1994	1995	%	1994	1995	%
North America															
LPG	2.01	1.85	-7.9	2.04	1.98	-3.1	2.11	2.13	1.3	2.05	1.99	-3.2	2.36	2.20	-6.7
Naphtha	0.28	0.28	-0.9	0.28	0.27	-2.4	0.20	0.23	16.8	0.25	0.26	3.1	0.28	0.21	-25.1
Motor Gasoline	8.60	8.55	-0.6	8.70	8.90	2.3	8.31	8.47	1.9	8.54	8.64	1.2	8.19	8.43	3.0
Jet/Kerosene	1.60	1.61	0.7	1.69	1.67	-1.6	1.59	1.65	3.4	1.63	1.64	0.8	1.68	1.68	-0.2
Gasoil	3.04	3.11	2.5	3.49	3.47	-0.7	3.60	3.76	4.5	3.37	3.44	2.1	3.51	3.57	1.6
Residual Fuel Oil	1.11	0.92	-17.2	1.13	1.01	-10.2	0.94	1.03	10.0	1.06	0.99	-6.8	1.04	1.02	-2.2
Other Products	2.86	2.83	-1.0	2.87	2.84	-1.3	2.79	2.83	1.4	2.84	2.83	-0.3	2.70	2.60	-3.6
Total	19.49	19.15	-1.8	20.20	20.13	-0.4	19.53	20.10	2.9	19.74	19.79	0.2	19.77	19.72	-0.3
Europe															
LPG	0.74	0.75	0.6	0.75	0.72	-3.9	0.87	0.78	-10.4	0.79	0.75	-4.8	0.89	0.83	-6.9
Naphtha	0.87	0.99	14.5	0.88	1.05	19.1	0.88	0.97	10.2	0.88	1.01	14.7	0.99	1.03	4.0
Motor Gasoline	3.07	3.02	-1.5	3.23	3.14	-2.7	3.11	3.02	-2.9	3.13	3.06	-2.3	2.89	2.93	1.6
Jet/Kerosene	0.88	0.92	4.6	0.91	0.93	2.0	0.88	0.94	6.2	0.89	0.93	4.2	0.83	0.90	7.5
Gasoil	4.27	4.41	3.3	4.40	4.44	1.1	4.86	4.79	-1.5	4.51	4.55	0.9	4.66	4.68	0.5
Residual Fuel Oil	1.86	2.04	9.4	1.88	1.98	5.6	2.21	2.10	-5.1	1.98	2.04	2.9	2.15	2.15	0
Other Products	1.35	1.26	-6.3	1.30	1.30	0.1	1.44	1.28	-10.8	1.36	1.28	-5.8	1.30	1.31	1.2
Total	13.04	13.40	2.7	13.35	13.57	1.7	14.25	13.87	-2.6	13.54	13.61	0.5	13.70	13.83	0.9
Pacific															
LPG	0.67	0.62	-7.9	0.61	0.61	-0.1	0.62	0.63	3.2	0.63	0.62	-1.8	0.65	0.65	0.1
Naphtha	0.66	0.72	8.9	0.67	0.80	18.8	0.66	0.77	16.4	0.66	0.76	14.7	0.74	0.73	-1.0
Motor Gasoline	1.28	1.28	-0.3	1.34	1.38	2.5	1.23	1.23	-0.2	1.29	1.30	0.7	1.17	1.19	1.7
Jet/Kerosene	0.46	0.52	12.2	0.46	0.52	11.2	0.49	0.57	15.0	0.47	0.53	12.8	0.59	0.61	2.0
Gasoil	1.41	1.42	0.1	1.39	1.43	2.8	1.42	1.46	3.4	1.41	1.44	2.1	1.40	1.46	3.8
Residual Fuel Oil	1.04	0.83	-20.7	1.02	0.92	-10.0	0.91	0.89	-1.6	0.99	0.88	-11.3	0.86	0.77	-10.7
Other Products	0.96	0.68	-29.6	1.00	0.86	-14.1	0.95	0.80	-15.4	0.97	0.78	-19.7	0.81	0.70	-13.4
Total	6.49	6.05	-6.8	6.51	6.51	0.1	6.27	6.36	1.4	6.43	6.31	-1.8	6.23	6.11	-2.0
OECD															
LPG	3.42	3.22	-6.0	3.40	3.31	-2.7	3.59	3.55	-1.2	3.47	3.36	-3.3	3.90	3.68	-5.6
Naphtha	1.81	2.00	10.1	1.84	2.12	15.7	1.74	1.97	13.3	1.80	2.03	13.0	2.02	1.98	-1.9
Motor Gasoline	12.95	12.85	-0.8	13.27	13.42	1.1	12.65	12.72	0.6	12.96	13.00	0.3	12.24	12.55	2.5
Jet/Kerosene	2.94	3.04	3.7	3.07	3.11	1.4	2.97	3.15	6.2	2.99	3.10	3.7	3.11	3.18	2.3
Gasoil	8.72	8.94	2.5	9.28	9.34	0.7	9.88	10.01	1.4	9.28	9.43	1.5	9.57	9.71	1.4
Residual Fuel Oil	4.01	3.78	-5.8	4.03	3.92	-2.8	4.05	4.02	-0.8	4.03	3.90	-3.1	4.05	3.94	-2.9
Other Products	5.17	4.77	-7.7	5.17	5.00	-3.4	5.18	4.92	-5.1	5.17	4.90	-5.4	4.81	4.62	-4.0
Total	39.02	38.60	-1.1	40.06	40.22	0.4	40.06	40.34	0.7	39.71	39.71	0	39.70	39.65	-0.1

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

Table 3

OIL DEMAND IN SELECTED OECD COUNTRIES

(million barrels per day)

	August			September			Third Quarter			October			November		
	1994	1995	%	1994	1995	%	1994	1995	%	1994	1995	%	1994	1995	%
United States**															
LPG	1.80	1.75	-2.9	1.85	1.90	2.6	1.80	1.74	-3.4	2.05	1.92	-6.5	1.92	1.99	3.6
Naphtha	0.20	0.20	0.2	0.17	0.17	0.2	0.19	0.19	-1.6	0.23	0.14	-39.0	0.22	0.23	3.6
Motor Gasoline	7.97	8.15	2.2	7.62	7.79	2.3	7.83	7.93	1.3	7.55	7.77	2.9	7.46	0.79	6.0
Jet/Kerosene	1.58	1.54	-2.5	1.48	1.51	2.5	1.51	1.51	0.1	1.57	1.56	-0.7	1.58	1.64	3.5
Gasoil	3.06	3.03	-1.0	3.13	3.29	4.9	2.95	3.01	2.0	3.07	3.10	1.2	3.18	3.34	5.0
Residual Fuel Oil	0.97	0.83	-14.7	0.76	0.84	9.9	0.89	0.81	-9.5	0.86	0.83	-3.3	0.88	0.78	-11.2
Other Products	2.53	2.50	-1.3	2.48	2.51	1.3	2.52	2.51	-0.5	2.40	2.31	-3.7	2.07	2.14	-0.6
Total	18.12	17.99	-0.7	17.49	18.01	3.0	17.70	17.70	0	17.72	17.63	-0.5	17.31	18.03	4.1
Japan															
LPG	0.52	0.52	0	0.53	0.55	3.0	0.55	0.54	-2.6	0.57	0.57	-0.5	0.64	0.63	-2.0
Naphtha	0.67	0.79	18.9	0.65	0.76	16.5	0.66	0.76	14.8	0.74	0.73	-1.0	0.72	0.82	13.4
Motor Gasoline	1.00	1.02	1.7	0.88	0.88	-0.9	0.94	0.95	0.9	0.84	0.84	0.8	0.84	0.88	4.8
Jet/Kerosene	0.37	0.42	11.5	0.40	0.47	17.3	0.38	0.43	13.2	0.51	0.51	0.7	0.73	0.82	12.1
Diesel	0.74	0.76	3.4	0.50	0.76	52.0	0.67	0.76	13.9	0.73	0.75	2.3	0.76	0.78*	2.3*
Other Gasoil	0.43	0.44	0.4	0.68	0.47	-31.7	0.52	0.45	-13.5	0.46	0.46	0.2	0.55	0.55*	0.5*
Residual Fuel Oil	0.97	0.87	-10.2	0.84	0.83	-2.1	0.93	0.82	-11.3	0.82	0.73	-11.3	0.93	0.78	-16.6
Direct use of Crude Oil	0.54	0.37	-31.4	0.45	0.28	-36.9	0.48	0.29	-39.4	0.34	0.23	-33.2	0.34	0.32	-6.7
Other Products	0.34	0.35	2.5	0.38	0.37	-2.7	0.37	0.35	-5.9	0.37	0.34	-7.3	0.47	0.35	-24.4
Total	5.59	5.55	-0.8	5.33	5.37	0.7	5.50	5.35	-2.8	5.36	5.15	-4.0	5.99	5.93	-1.0
Germany															
LPG	0.11	0.11	-1.0	0.13	0.12	-8.3	0.11	0.11	-3.2	0.10	0.09	-12.3	0.11	0.10	-9.2
Naphtha	0.29	0.31	8.3	0.32	0.30	-6.8	0.31	0.30	-1.4	0.36	0.31	-12.9	0.37	0.31	-16.8
Motor Gasoline	0.72	0.72	0.1	0.72	0.72	0.2	0.71	0.72	1.4	0.69	0.71	2.0	0.70	0.69	-0.6
Jet/Kerosene	0.14	0.14	-1.8	0.14	0.14	-0.8	0.14	0.14	-0.6	0.14	0.13	-1.9	0.11	0.11	3.9
Diesel	0.46	0.46	-0.5	0.49	0.46	-6.9	0.47	0.45	-2.6	0.46	0.45	-1.4	0.49	0.49	-1.5
Other Gasoil	0.83	0.80	-3.0	0.83	0.79	-4.5	0.81	0.79	-3.4	0.76	0.67	-12.2	0.74	0.85	15.3
Residual Fuel Oil	0.16	0.19	18.9	0.19	0.20	8.8	0.17	0.20	13.6	0.19	0.20	4.2	0.21	0.20	-2.1
Other Products	0.20	0.20	1.0	0.22	0.20	-7.1	0.20	0.19	-3.0	0.19	0.19	2.4	0.19	0.17	-8.1
Total	2.91	2.93	0.9	3.04	2.94	-3.4	2.92	2.90	-0.7	2.88	2.75	-4.6	2.92	2.93	0.4
Italy															
LPG	0.09	0.10	10.2	0.11	0.11	2.1	0.09	0.10	5.7	0.12	0.11	-8.4	0.13	0.14	9.7
Naphtha	0.11	0.14	18.9	0.09	0.13	45.5	0.11	0.13	22.4	0.11	0.14	26.7	0.11	0.14	22.4
Motor Gasoline	0.42	0.42	-0.3	0.41	0.41	-0.6	0.41	0.41	-0.4	0.39	0.39	1.7	0.39	0.38	-2.1
Jet/Kerosene	0.08	0.06	-16.8	0.06	0.07	8.0	0.07	0.07	-2.3	0.06	0.08	32.0	0.07	0.06	-8.1
Diesel	0.26	0.27	0.9	0.35	0.35	0.1	0.31	0.31	1.4	0.35	0.37	4.9	0.38	0.40	7.3
Other Gasoil	0.11	0.13	17.9	0.18	0.18	2.4	0.15	0.15	5.3	0.19	0.23	20.6	0.23	0.23	1.0
Residual Fuel Oil	0.52	0.47	-10.5	0.60	0.53	-12.2	0.54	0.51	-4.6	0.54	0.55	2.3	0.66	0.65	-1.1
Other Products	0.14	0.12	-11.5	0.17	0.15	-9.5	0.15	0.14	-1.0	0.15	0.16	8.2	0.14	0.16	15.3
Total	1.73	1.70	-1.8	1.98	1.94	-2.0	1.82	1.83	0.7	1.91	2.03	6.6	2.11	2.18	3.3
France															
LPG	0.09	0.08	-9.0	0.10	0.10	0.4	0.09	0.09	-1.8	0.12	0.11	-6.9	0.11	0.11	1.1
Naphtha	0.14	0.22	55.3	0.14	0.17	22.2	0.14	0.21	53.0	0.17	0.21	25.7	0.18	0.26	48.4
Motor Gasoline	0.43	0.39	-8.3	0.40	0.36	-8.0	0.42	0.38	-7.3	0.36	0.35	-3.4	0.35	0.34	-4.5
Jet/Kerosene	0.11	0.12	6.1	0.11	0.11	5.9	0.11	0.11	5.0	0.09	0.10	6.0	0.09	0.09	0.3
Diesel	0.41	0.43	3.2	0.46	0.47	2.0	0.44	0.45	3.5	0.44	0.47	6.8	0.45	0.47	5.5
Other Gasoil	0.30	0.24	-17.8	0.35	0.37	3.8	0.31	0.32	5.6	0.33	0.31	-4.0	0.35	0.37	6.6
Residual Fuel Oil	0.09	0.13	39.5	0.13	0.14	7.5	0.11	0.13	25.9	0.14	0.15	10.1	0.16	0.18	11.6
Other Products	0.16	0.17	6.3	0.23	0.16	-30.9	0.21	0.16	-21.7	0.19	0.15	-18.2	0.12	0.13	7.4
Total	1.73	1.78	2.9	1.92	1.89	-1.7	1.81	1.87	3.4	1.84	1.87	1.4	1.81	1.96	8.1
United Kingdom															
LPG	0.15	0.15	1.4	0.17	0.16	-5.4	0.16	0.17	1.4	0.18	0.17	-4.8	0.18	0.17	-3.8
Naphtha	0.06	0.07	13.6	0.05	0.08	59.9	0.06	0.07	13.9	0.07	0.06	-3.0	0.09	0.10	14.3
Motor Gasoline	0.56	0.53	-4.0	0.55	0.52	-6.5	0.55	0.52	-5.8	0.53	0.53	-0.3	0.60	0.57	-5.5
Jet/Kerosene	0.21	0.23	8.1	0.23	0.25	8.5	0.21	0.23	8.0	0.21	0.23	6.1	0.20	0.23	15.6
Diesel	0.26	0.27	4.4	0.28	0.28	0	0.26	0.27	2.6	0.27	0.28	5.0	0.33	0.33	0.2
Other Gasoil	0.18	0.17	-7.4	0.20	0.18	-10.5	0.18	0.17	-8.4	0.19	0.18	-2.8	0.20	0.18	-7.2
Residual Fuel Oil	0.14	0.18	24.2	0.19	0.15	-21.6	0.16	0.16	-1.3	0.21	0.17	-20.5	0.18	0.20	11.3
Other Products	0.20	0.19	-1.1	0.20	0.20	0.5	0.20	0.20	-0.2	0.21	0.22	3.6	0.20	0.20	4.1
Total	1.76	1.80	2.0	1.88	1.82	-3.1	1.80	1.78	-0.9	1.87	1.84	-1.4	1.97	1.99	1.0
Canada															
LPG	0.23	0.22	-4.5	0.24	0.22	-8.3	0.24	0.23	-1.5	0.30	0.27	-8.6	0.26	0.15	-41.1
Naphtha	0.08	0.07	-8.9	0.03	0.07	102.7	0.06	0.07	18.0	0.06	0.07	31.1	0.07	0.08	15.9
Motor Gasoline	0.67	0.69	3.5	0.64	0.62	-1.9	0.65	0.65	-0.4	0.59	0.61	3.3	0.59	0.61	2.7
Jet/Kerosene	0.09	0.10	14.7	0.09	0.10	19.5	0.09	0.10	12.9	0.08	0.09	9.3	0.08	0.09	12.4
Diesel	0.15	0.15	0	0.15	0.15	0	0.14	0.14	0	0.14	0.14	0	0.14	0.15	2.6
Other Gasoil	0.25	0.26	3.5	0.29	0.30	3.3	0.25	0.27	5.2	0.28	0.30	7.1	0.31	0.32	4.3
Residual Fuel Oil	0.10	0.13	27.6	0.11	0.13	16.0	0.11	0.12	11.9	0.13	0.13	4.1	0.15	0.16	9.6
Other Products	0.29	0.28	-1.5	0.25	0.26	2.5	0.27	0.27	1.2	0.25	0.24	-2.9	0.22	0.20	-7.7
Total	1.85	1.90	2.8	1.80	1.85	2.9	1.81	1.85	2.5	1.82	1.86	2.1	1.82	1.76	-3.1

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.
**November 95 data are preliminary.

Table 4

WORLD OIL PRODUCTION

(million barrels per day)

	1993	1994	1995*	4Q94	1Q95	2Q95	3Q95	4Q95*	NOV95	DEC95*	JAN96*
OPEC											
Crude Oil											
Saudi Arabia	7.96	7.90	7.94	7.92	7.93	7.88	8.01	7.92	7.91	7.91	7.89
Iran	3.65	3.61	3.65	3.63	3.62	3.65	3.65	3.68	3.69	3.70	3.75
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	2.21	2.19	2.16	2.15	2.12	2.19
Kuwait	1.69	1.84	1.84	1.86	1.83	1.84	1.84	1.84	1.84	1.86	1.85
Neutral Zone	0.36	0.39	0.43	0.40	0.42	0.41	0.44	0.43	0.45	0.42	0.43
Qatar	0.42	0.41	0.45	0.39	0.44	0.45	0.45	0.46	0.48	0.47	0.47
Nigeria	1.91	1.90	1.93	1.92	1.86	1.93	1.93	2.01	2.02	2.04	2.04
Libya	1.37	1.38	1.41	1.39	1.41	1.40	1.41	1.40	1.40	1.40	1.39
Algeria	0.74	0.75	0.76	0.75	0.75	0.75	0.76	0.79	0.80	0.80	0.80
Gabon	0.30	0.32	0.35	0.34	0.34	0.35	0.35	0.35	0.35	0.36	0.36
Venezuela	2.31	2.44	2.58	2.51	2.48	2.51	2.64	2.71	2.70	2.73	2.75
Indonesia	1.34	1.32	1.34	1.34	1.32	1.34	1.34	1.34	1.34	1.35	1.35
Total Crude Oil	24.70	24.99	25.41	25.19	25.17	25.25	25.55	25.64	25.65	25.68	25.80
NGLs[1]	2.25	2.38	2.42	2.42	2.38	2.39	2.41	2.48	2.48	2.51	2.55
TOTAL OPEC [3]	26.95	27.37	27.82	27.61	27.55	27.64	27.97	28.13	28.14	28.19	28.35
NON-OPEC [2]											
OECD											
North America	10.99	10.92	10.98	11.10	11.09	11.01	10.86	10.95	10.98	10.96	11.02
United States	8.82	8.64	8.59	8.75	8.70	8.64	8.50	8.51	8.57	8.47	8.48
Canada	2.18	2.28	2.39	2.35	2.39	2.37	2.37	2.44	2.42	2.49	2.54
Europe	5.12	6.03	6.32	6.47	6.35	5.96	6.18	6.76	6.75	6.69	7.00
UK	2.14	2.71	2.79	2.91	2.92	2.55	2.76	2.95	2.95	2.84	3.05
Norway	2.38	2.69	2.91	2.94	2.81	2.81	2.83	3.19	3.18	3.22	3.30
Others	0.60	0.63	0.61	0.62	0.62	0.60	0.60	0.63	0.62	0.63	0.65
Pacific	0.65	0.69	0.68	0.70	0.67	0.69	0.70	0.66	0.66	0.70	0.70
Australia	0.56	0.60	0.58	0.61	0.58	0.60	0.59	0.56	0.56	0.59	0.59
Others	0.09	0.09	0.10	0.09	0.09	0.09	0.11	0.10	0.10	0.11	0.10
Total OECD	16.76	17.64	17.97	18.27	18.11	17.66	17.75	18.37	18.39	18.35	18.71
Non-OECD											
FSU	7.92	7.16	7.14	7.27	7.12	7.17	7.11	7.17	7.17	7.15	7.12
Russia	6.95	6.28	6.18	6.37	6.23	6.19	6.13	6.15	6.15	6.12	6.08
Others	0.97	0.88	0.97	0.90	0.89	0.98	0.98	1.02	1.02	1.02	1.04
Asia	4.69	4.78	5.06	5.03	5.00	5.01	5.08	5.14	5.14	5.09	5.23
China	2.91	2.84	2.98	2.98	2.97	2.95	3.00	3.00	3.03	2.92	3.04
Malaysia	0.63	0.69	0.75	0.71	0.72	0.73	0.75	0.80	0.80	0.81	0.77
India	0.54	0.63	0.71	0.70	0.69	0.72	0.71	0.71	0.69	0.74	0.78
Others	0.60	0.62	0.62	0.64	0.62	0.61	0.62	0.63	0.62	0.63	0.63
Europe	0.28	0.28	0.27	0.28	0.27	0.26	0.28	0.27	0.27	0.27	0.28
Latin America	5.77	5.94	6.07	6.01	6.09	6.00	6.32	5.89	6.07	6.22	6.40
Mexico	3.14	3.14	3.06	3.15	3.11	3.14	3.19	2.83	3.01	3.24	3.26
Brazil	0.88	0.92	0.94	0.93	0.97	0.80	1.00	0.97	0.98	0.93	1.03
Argentina	0.63	0.71	0.76	0.74	0.75	0.76	0.76	0.76	0.75	0.75	0.76
Colombia	0.46	0.46	0.59	0.48	0.54	0.58	0.64	0.61	0.61	0.58	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	0.34	0.34	0.34	0.35	0.35	0.34	0.34	0.34	0.34
Middle East[4]	1.63	1.79	1.90	1.85	1.87	1.89	1.92	1.93	1.92	1.93	1.93
Oman	0.79	0.82	0.86	0.84	0.84	0.86	0.87	0.87	0.87	0.87	0.87
Syria	0.56	0.57	0.61	0.60	0.60	0.61	0.62	0.62	0.62	0.63	0.62
Yemen	0.22	0.35	0.38	0.36	0.37	0.38	0.38	0.38	0.38	0.38	0.39
Africa	2.05	2.06	2.24	2.10	2.17	2.24	2.25	2.30	2.31	2.31	2.33
Egypt	0.96	0.92	0.95	0.93	0.96	0.95	0.94	0.98	0.98	0.98	0.99
Angola	0.50	0.53	0.65	0.54	0.59	0.67	0.67	0.68	0.69	0.69	0.71
Others	0.58	0.61	0.63	0.62	0.63	0.63	0.64	0.64	0.64	0.65	0.64
Total Non-OECD	22.34	22.01	22.69	22.53	22.52	22.58	22.95	22.69	22.88	22.97	23.28
Processing Gains[5]	1.39	1.43	1.48	1.43	1.48	1.48	1.48	1.48	1.48	1.48	1.51
TOTAL NON-OPEC	40.49	41.08	42.14	42.23	42.12	41.72	42.18	42.54	42.76	42.80	43.49
TOTAL SUPPLY	67.43	68.45	69.96	69.84	69.66	69.36	70.14	70.67	70.90	70.98	71.84

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)

	October		November		December		4th Quarter 95		1995		January	
	Level	Change[2]	Level	Change	Level	Change	Level	Change	Level	Change	Level	Change
United States												
Alaska	1484	108	1479	-5	1473	-6	1479	75	1486	-73	1451	-22
California (inc. offshore)	962	5	964	2	975	11	967	7	960	17	984	9
Texas	1460	4	1476	16	1440	-36	1458	-6	1497	-117	1437	-3
Offshore Gulf of Mexico	1009	-61	1073	64	1089	16	1057	-8	1031	108	1070	-19
Other US Lower 48	1515	-24	1500	-15	1469	-31	1495	-53	1547	-76	1529	60
NGLs[3]	1750	-24	1795	45	1745	-50	1763	12	1765	38	1730	-15
Other Hydrocarbons	327	36	278	-49	275	-3	294	-10	300	47	275	0
Total	8507	44	8565	58	8466	-99	8512	17	8586	-55	8476	9
Canada												
Alberta Light & Medium	708	9	678	-31	745	67	711	6	712	-19	740	-5
Alberta Heavy	254	3	239	-16	255	16	249	1	244	24	252	-3
Alberta Bitumen	155	-4	144	-11	150	6	149	-10	149	15	150	0
Saskatchewan	336	8	326	-10	338	12	333	8	320	24	335	-3
Other Conventional	104	-2	96	-7	107	10	102	-0	103	-1	105	-1
NGLs	568	12	642	74	611	-31	607	60	589	51	652	41
Syncrudes	276	5	294	18	285	-9	285	6	274	20	305	20
Total	2401	30	2418	17	2491	72	2437	71	2390	115	2539	49
United Kingdom [4]												
Brent Fields	504	33	503	-1	473	-30	493	23	477	6	501	28
Forties Fields	1031	74	1012	-19	910	-102	984	43	929	118	1014	104
Ninian Fields	318	0	296	-22	325	29	313	35	300	-9	339	14
Flotta Fields	268	6	248	-20	246	-2	254	-20	250	-22	250	4
Other Offshore Fields	522	36	498	-23	501	3	507	70	465	-42	521	20
NGLs	290	35	291	1	281	-9	287	39	268	24	315	33
Total	2933	184	2848	-85	2737	-112	2839	189	2689	74	2939	203
Norway [4]												
Ekofisk/Ula Area	506	36	514	8	504	-11	508	19	499	21	517	13
Oseberg Area	879	132	879	0	880	0	879	158	733	60	907	27
Statfjord-Gullfaks-Snorre	1381	71	1309	-72	1322	13	1338	71	1311	21	1284	-38
Haltenbanken	141	-2	225	85	238	12	201	64	136	69	301	63
Sleipner/Frigg	118	11	105	-14	121	16	115	19	95	32	130	9
Plant Condensate (as NGLs)	15	10	18	3	8	-10	14	8	8	1	10	2
Lighter NGLs	129	10	127	-2	143	17	133	17	129	14	150	7
Total	3170	269	3178	8	3215	37	3188	355	2911	218	3299	83
Other OECD Europe												
Other North Sea	238	2	231	-6	231	-0	233	3	234	-5	235	4
Onshore U.K.	106	0	106	0	106	0	106	1	103	9	107	1
Italy	93	0	88	-5	95	7	92	-2	93	8	110	15
Turkey	69	1	69	0	69	0	69	2	68	-3	70	1
Other	158	-1	160	2	161	1	160	4	157	-17	160	-1
NGLs	40	5	44	4	52	8	45	15	39	1	48	-4
Non-Conventional Oils	26	9	24	-2	25	1	25	6	21	0	26	1
Total	730	16	722	-7	739	17	730	29	715	-7	756	17
Australia												
Gippsland Basin	216	-7	202	-14	227	25	215	-7	228	-39	220	-7
Cooper/Eromonga	41	8	52	12	58	6	50	12	42	2	40	-19
Carnarvon Basin	176	-71	217	41	213	-4	202	-37	216	24	233	20
Bonaparte Basin	26	-1	21	-5	23	2	23	-2	26	-5	33	10
Other Fields	6	-0	6	0	6	0	6	-0	6	-0	6	0
NGLs	56	-2	62	6	61	-1	59	-4	62	-3	62	2
Total	519	-73	559	40	587	28	555	-38	580	-22	594	7
Other OECD Pacific												
New Zealand	31	-4	41	10	35	-6	36	-2	34	-6	31	-4
Japan	11	0	11	0	11	0	11	0	11	-0	10	-1
NGLs	10	-1	11	1	12	1	11	-1	12	1	13	1
Synthetic Fuels	44	-8	39	-5	55	16	46	-2	43	14	50	-5
Total	96	-13	102	6	113	11	104	-5	99	8	104	-9
OECD												
Crude Oil	14824	371	14769	-56	14795	26	14796	472	14460	124	15071	276
NGLs	2858	45	2990	131	2913	-76	2920	145	2873	126	2980	67
Non-Conventional Oils	673	42	635	-38	640	5	650	-0	637	81	656	16
Total	18356	457	18393	38	18348	-45	18365	617	17970	330	18707	359

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			
	AUG95	SEP95	OCT95*	NOV95*	DEC95*	DEC92	DEC93	DEC94	Q195	Q295	Q395	Q495
North America												
Crude	372	372	378	387	373	381	399	406	0.00	0.05	-0.43	0.01
Gasoline	214	220	218	216	222	235	246	236	0.00	-0.12	-0.06	0.02
Middle Distillate	202	205	203	208	201	212	209	228	-0.43	-0.06	0.23	-0.04
Residual Fuel Oil	47	49	47	46	46	50	52	50	-0.04	-0.01	0.05	-0.04
Total Products[3]	645	652	640	631	614	644	665	665	-0.50	0.03	0.32	-0.41
Total [4]	1186	1193	1184	1178	1141	1168	1212	1227	-0.53	0.17	-0.02	-0.57
Europe												
Crude	308	301	311	312	305	310	310	313	-0.23	0.13	-0.03	0.05
Gasoline	132	135	129	135	135	129	140	136	0.09	-0.07	-0.04	0.01
Middle Distillate	271	275	267	251	245	242	232	264	-0.38	0.14	0.29	-0.32
Residual Fuel Oil	109	106	105	103	102	99	102	94	0.02	0.05	0.05	-0.04
Total Products[3]	602	605	593	574	568	555	559	584	-0.31	0.11	0.36	-0.40
Total [4]	965	961	962	941	928	923	926	950	-0.54	0.30	0.29	-0.36
Pacific												
Crude	164	170	170	172	158	158	156	157	-0.04	0.24	-0.06	-0.13
Gasoline	27	28	28	28	27	23	23	25	0.03	-0.01	0.00	0.00
Middle Distillate	75	77	80	76	62	69	70	73	-0.19	0.07	0.16	-0.17
Residual Fuel Oil	16	15	15	15	14	17	17	17	0.01	0.00	-0.03	-0.01
Total Products[3]	180	181	185	177	157	165	165	172	-0.17	0.03	0.22	-0.25
Total [4]	429	435	438	432	390	409	405	412	-0.16	0.24	0.17	-0.49
Crude	844	843	859	872	837	850	865	877	-0.27	0.42	-0.52	-0.07
Gasoline	373	383	376	379	385	387	409	398	0.12	-0.19	-0.10	0.03
Middle Distillate	549	557	550	535	508	523	510	565	-1.00	0.15	0.68	-0.54
Residual Fuel Oil	172	170	167	165	162	166	171	160	-0.01	0.04	0.07	-0.09
Total Products[3]	1426	1438	1418	1382	1339	1364	1389	1421	-0.98	0.17	0.90	-1.07
Total [4]	2580	2589	2583	2551	2459	2500	2542	2589	-1.23	0.71	0.43	-1.42

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			
	AUG95	SEP95	OCT95*	NOV95*	DEC95*	DEC92	DEC93	DEC94	Q195	Q295	Q395	Q495
North America												
Crude	592	592	592	592	592	575	587	592	0.00	0.00	0.00	0.00
Europe												
Crude	129	129	129	130	130	130	129	130	0.00	-0.01	0.00	0.00
Products	123	122	122	121	121	129	128	127	0.00	-0.06	0.01	-0.01
Pacific												
Crude	290	293	296	298	299	237	257	276	0.08	0.00	0.10	0.07
Total												
Crude	1010	1013	1017	1019	1020	942	973	997	0.08	-0.01	0.10	0.07
Products	123	122	122	121	121	129	128	127	0.00	-0.06	0.00	-0.01
Total [4]	1133	1136	1139	1141	1141	1071	1101	1125	0.08	-0.07	0.11	0.06

* 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)

	July			August			September			October			November		
	1994	1995	%	1994	1995	%	1994	1995	%	1994	1995	%	1994	1995	%
United States															
Crude	332.5	314.4	-5.5	328.5	306.7	-6.6	335.3	304.9	-9.1	343.2	308.2	-10.2	346.3	316.7	-8.5
Motor Gasoline	207.6	207.0	-0.3	202.1	193.1	-4.5	205.1	198.6	-3.1	200.9	196.7	-2.1	218.3	198.2	-9.2
Middle Distillate	181.4	171.4	-5.5	187.8	175.1	-6.7	196.9	178.5	-9.4	197.2	177.3	-10.1	198.7	180.8	-9.0
Residual Fuel Oil	39.8	36.9	-7.4	41.0	37.8	-7.9	44.5	39.7	-10.8	43.1	37.9	-12.1	43.7	41.9	-4.0
Other Products	151.8	158.1	4.2	153.6	162.5	5.8	153.6	159.4	3.7	145.3	152.9	5.3	141.0	154.3	9.4
Total Products	580.7	573.5	-1.2	584.5	568.5	-2.7	600.1	576.2	-4.0	586.4	564.8	-3.7	601.8	575.2	-4.4
Other [2]	149.4	143.6	-3.9	154.7	146.4	-5.4	156.4	145.3	-7.1	151.2	141.6	-6.4	147.3	146.4	-0.6
Total	1062.7	1031.4	-2.9	1067.7	1021.6	-4.3	1091.8	1026.4	-6.0	1080.9	1014.6	-6.1	1095.4	1038.3	-5.2
Japan															
Crude	142.4	163.0	14.5	134.3	149.9	11.6	135.3	150.7	11.4	137.3	151.7	10.5	140.2	153.4	9.5
Motor Gasoline	16.5	17.4	5.7	16.6	18.0	7.9	17.0	18.8	11.1	17.5	19.5	11.6	18.2	19.5	7.0
Middle Distillate	61.6	59.3	-3.7	69.8	65.2	-6.6	75.6	67.6	-10.5	78.4	69.9	-10.8	76.6	66.1	-13.7
Residual Fuel Oil	11.0	15.0	36.5	12.6	13.2	4.5	13.0	12.4	-4.7	12.9	12.4	-3.9	12.4	12.6	1.1
Other Products	55.9	49.1	-12.2	58.4	56.5	-3.2	58.5	55.5	-5.2	57.3	56.6	-1.3	55.0	52.9	-3.9
Total Products	144.9	140.8	-2.8	157.5	152.9	-2.9	164.0	154.3	-5.9	166.2	158.4	-4.7	162.2	151.0	-6.9
Other [2]	71.2	79.1	11.1	75.7	78.4	3.6	79.6	78.2	-1.8	79.5	75.9	-4.5	79.2	75.7	-4.4
Total	358.6	382.9	6.8	367.5	381.2	3.7	379.0	383.2	1.1	383.0	386.1	0.8	381.6	380.2	-0.4
Germany															
Crude	28.6	25.4	-11.3	27.2	24.4	-10.4	26.0	21.1	-19.0	26.9	25.4	-5.6	26.5	23.9	-9.8
Motor Gasoline	16.5	16.3	-0.8	16.1	16.8	4.2	15.4	17.4	13.1	15.6	15.1	-3.4	16.5	14.7	-11.3
Middle Distillate	30.4	25.9	-14.5	29.2	26.6	-9.1	26.9	27.3	1.6	28.5	29.2	2.2	30.2	23.6	-21.7
Residual Fuel Oil	9.5	11.2	17.0	9.7	10.8	11.3	9.7	10.3	6.4	9.1	10.1	10.7	9.0	10.0	11.9
Other Products	11.7	12.0	2.1	12.2	11.9	-2.1	11.8	12.0	1.4	11.9	11.6	-2.1	11.9	11.3	-4.9
Total Products	68.1	65.4	-3.9	67.2	66.1	-1.7	63.9	67.1	5.1	65.1	66.0	1.3	67.5	59.6	-11.7
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	96.7	90.8	-6.1	94.4	90.5	-4.2	89.9	88.2	-1.9	92.0	91.3	-0.7	94.0	83.5	-11.2
Italy															
Crude	39.2	45.8	16.8	42.7	45.8	7.3	41.8	39.7	-5.0	41.4	45.4	9.6	37.8	43.9	16.2
Motor Gasoline	21.0	21.5	2.4	20.0	19.6	-2.0	20.2	19.6	-3.1	20.5	19.5	-5.2	21.1	20.9	-1.1
Middle Distillate	33.9	35.2	3.6	36.4	36.4	0	34.7	36.9	6.2	33.5	34.5	2.8	34.5	31.5	-8.9
Residual Fuel Oil	23.9	24.4	2.2	23.0	26.6	15.8	22.0	23.4	6.4	22.7	23.5	3.3	25.7	22.2	-13.7
Other Products	7.6	8.7	14.5	7.8	9.5	21.7	7.5	9.4	25.2	7.8	9.5	21.9	8.3	7.7	-7.8
Total Products	86.4	89.8	3.9	87.2	92.1	5.6	84.4	89.2	5.7	84.5	86.9	2.7	89.7	82.2	-8.3
Other [2]	6.1	5.4	-11.4	6.7	5.2	-22.5	7.6	4.6	-38.6	8.1	5.3	-34.4	6.5	5.0	-23.5
Total	131.8	141.0	7.0	136.6	143.2	4.8	133.7	133.5	-0.1	134.1	137.6	2.6	134.0	131.1	-2.2
France															
Crude	43.3	47.2	8.9	43.2	38.0	-12.0	40.2	39.2	-2.6	40.4	39.5	-2.3	40.4	41.6	3.0
Motor Gasoline	23.2	21.4	-7.8	23.4	21.2	-9.2	23.0	22.2	-3.5	23.2	21.1	-9.2	24.6	22.3	-9.5
Middle Distillate	52.6	52.1	-1.1	54.9	58.8	7.1	55.2	59.4	7.5	57.9	58.1	0.2	61.5	56.6	-8.0
Residual Fuel Oil	8.7	8.4	-3.5	9.2	9.4	3.0	8.4	8.6	2.6	9.2	8.6	-6.2	7.9	7.7	-2.4
Other Products	8.3	8.5	1.9	9.6	9.3	-3.2	9.1	9.4	2.4	9.8	11.0	12.5	10.7	9.8	-8.8
Total Products	92.9	90.3	-2.7	97.0	98.7	1.8	95.8	99.6	3.9	100.1	98.8	-1.3	104.8	96.5	-8.0
Other [2]	13.2	13.3	1.0	13.7	13.1	-4.3	12.8	13.2	3.5	13.0	13.3	2.4	12.4	12.4	-0.1
Total	149.4	150.8	1.0	153.9	149.8	-2.6	148.8	152.0	2.1	153.6	151.6	-1.3	157.6	150.5	-4.6
United Kingdom															
Crude	36.6	33.7	-7.9	38.9	30.9	-20.7	38.0	32.3	-15.1	33.5	32.3	-3.5	34.6	32.9	-4.7
Motor Gasoline	15.8	15.1	-4.7	15.6	15.9	1.8	15.4	15.8	2.8	17.0	16.2	-4.6	18.5	18.3	-0.9
Middle Distillate	20.3	18.6	-8.4	18.9	19.2	1.7	18.9	19.1	0.9	19.9	19.6	-1.6	20.1	19.6	-2.4
Residual Fuel Oil	7.7	9.2	20.4	7.8	9.8	26.2	7.2	8.9	22.8	6.7	8.3	22.5	6.8	7.9	15.9
Other Products	11.5	12.8	11.1	11.8	12.2	3.0	11.3	12.9	13.9	11.2	13.7	22.2	11.2	11.4	1.9
Total Products	55.3	55.7	0.7	54.1	57.1	5.5	52.8	56.6	7.2	54.8	57.8	5.3	56.6	57.3	1.1
Other [2]	15.2	15.8	4.4	16.8	16.1	-4.4	17.0	16.0	-5.6	15.7	16.0	2.1	14.9	14.9	0.1
Total	107.0	105.2	-1.7	109.8	104.0	-5.3	107.7	104.9	-2.7	104.0	106.1	2.0	106.1	105.1	-0.9
Canada															
Crude	61.8	74.5	20.6	57.1	56.4	-1.3	61.6	58.5	-5.0	61.5	61.1	-0.6	59.4	61.9	4.2
Motor Gasoline	18.0	20.3	12.6	17.2	19.3	12.0	16.8	20.0	19.2	16.9	20.3	20.5	18.2	18.7	2.9
Middle Distillate	22.4	22.9	2.5	22.6	23.7	4.8	21.6	23.1	7.0	22.6	22.0	-2.5	24.8	21.0	-15.2
Residual Fuel Oil	4.1	5.2	26.2	3.7	5.2	39.8	4.0	5.5	36.2	3.5	5.4	52.7	4.0	4.8	19.0
Other Products	18.7	18.3	-1.7	17.7	17.7	0.1	17.2	16.9	-1.8	18.5	17.5	-5.6	17.6	18.1	2.9
Total Products	63.2	66.8	5.7	61.2	65.9	7.6	59.6	65.5	9.9	61.5	65.2	6.1	64.6	62.6	-3.1
Other [2]	17.7	16.4	-7.2	19.5	18.6	-4.6	19.2	18.9	-1.5	18.9	19.3	2.3	17.4	19.3	10.9
Total	142.7	157.7	10.5	137.9	140.9	2.2	140.4	142.9	1.8	141.9	145.7	2.7	141.4	143.8	1.7

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 December 1994		End March 1995		End June 1995		End September 1995 [4]		End December 1995 [3 4]	
	Stock [1] Level	Days Fwd [2] Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand	Stock Level	Days Fwd Demand
Canada	142.2	80	147.6	85	154.5	83	142.9	-	-	-
United States	1652.8	94	1599.9	91	1608.5	91	1618.0	-	-	-
NORTH AMERICA	1818.6	93	1771.1	91	1786.8	90	1784.7	89	1732.2	86
Australia	34.6	43	36.8	45	38.1	47	42.7	-	-	-
Japan	644.5	101	636.0	122	656.2	123	675.8	-	-	-
New Zealand	8.9	65	8.4	60	8.9	61	9.4	-	-	-
PACIFIC	688.0	94	681.2	110	703.2	111	727.9	104	689.1	93
Austria	16.8	67	17.0	72	17.0	70	17.0	-	-	-
Belgium	29.0	54	27.1	58	26.7	58	29.7	-	-	-
Denmark	25.6	114	25.3	116	25.7	119	27.4	-	-	-
Finland	26.3	119	26.3	121	26.3	120	26.3	-	-	-
France	153.5	79	147.5	81	161.2	86	157.6	-	-	-
Germany	314.1	108	306.9	106	303.1	105	303.4	-	-	-
Greece	20.2	60	22.9	70	24.1	69	22.6	-	-	-
Ireland	7.1	56	7.1	60	6.7	61	7.8	-	-	-
Italy	142.9	72	140.5	77	144.0	79	139.4	-	-	-
Luxembourg	1.0	24	0.9	24	0.9	27	0.8	-	-	-
Netherlands	121.9	157	107.3	134	106.8	137	116.3	-	-	-
Norway	45.7	244	40.7	208	42.2	231	45.1	-	-	-
Portugal	19.6	73	19.3	66	18.7	61	18.7	-	-	-
Spain	81.7	72	79.5	69	86.2	79	92.3	-	-	-
Sweden	35.6	99	29.8	94	31.7	104	32.8	-	-	-
Switzerland	22.7	96	23.1	87	28.3	103	28.9	-	-	-
Turkey	34.8	61	37.3	66	38.3	59	42.0	-	-	-
United Kingdom	109.0	58	100.1	56	97.5	55	104.9	-	-	-
EUROPE [5]	1207.4	86	1158.3	86	1185.4	87	1212.9	85	1178.7	83
Total	3714.0	91	3610.7	92	3675.4	93	3725.4	90	3600.0	86
DAYS OF IEA NET IMPORTS [6]	-	138	-	130	-	132	-	134	-	-

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 December 1995 stock level based on preliminary data.
4 End September 1995 and end December 1995 forward demand figures are IEA Secretariat forecasts.
5 Data not available for Iceland.
6 Reflects stock levels and prior calendar year's net imports adjusted according to IEA emergency reserve definitions. Net exporting IEA countries are excluded.

TOTAL OECD STOCKS

CLOSING STOCKS	Total	Government [1] controlled	Companies	Total	Government [1] controlled	Companies
	Millions of Barrels			Days of Fwd. Demand [2]		
Q492	3570	1071	2500	90	27	63
Q193	3554	1085	2469	95	29	66
Q293	3639	1089	2550	94	28	66
Q393	3709	1092	2617	92	27	65
Q493	3644	1101	2542	89	27	62
Q194	3527	1110	2417	91	29	62
Q294	3648	1111	2537	92	28	64
Q394	3743	1114	2628	92	27	65
Q494	3714	1125	2589	91	27	63
Q195	3611	1132	2479	92	29	63
Q295	3675	1126	2549	93	28	64
Q395	3725	1136	2589	90	27	62
Q495	3600	1141	2459	86	27	59

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

Table 8

AVERAGE IEA CIF CRUDE COST AND SPOT CRUDE AND PRODUCT PRICES

($/bbl)

	1993	1994	1995	4Q94	1Q95	2Q95	3Q95	4Q95	Aug95	Sep95	Oct95	Nov95	Dec95	Jan96
Crude Oil Prices														
IEA CIF Average Import	16.37	15.65	17.19*	16.59	17.16	18.31	16.41	16.87*	16.19	16.61	16.41	16.61*	17.60*	18.20*
FOB Spot														
Brent (Dated)	17.00	15.80	17.02	16.53	16.90	18.10	16.18	16.92	16.05	16.70	16.12	16.82	17.80	17.78
WTI (1st month)	18.44	17.19	18.41	17.66	18.36	19.33	17.83	18.12	17.99	18.21	17.44	18.00	18.92	18.75
Dubai (1st month)	14.93	14.75	16.10	15.60	16.31	16.96	15.31	15.83	15.43	15.50	14.86	15.68	16.95	16.44
Product Prices [1]														
Rotterdam														
Premium 0.15 g/l	22.45	20.18	21.25	20.02	20.04	23.65	20.81	20.50	20.95	21.38	19.90	21.36	20.23	20.14
Regular Unleaded	20.70	18.65	19.75	18.69	18.53	21.96	19.38	19.14	19.58	19.93	18.68	20.22	18.52	18.44
Naphtha	18.47	17.30	18.15	19.10	18.43	19.61	17.43	17.14	17.38	18.09	16.91	16.90	17.59	18.80
Jet/Kerosene	23.37	20.95	21.60	21.43	20.76	21.71	21.57	22.38	21.44	22.18	21.21	22.04	23.89	23.56
Gasoil	22.28	19.80	20.47	19.74	19.35	21.02	20.49	21.04	20.43	21.07	19.90	20.77	22.45	22.17
Fuel Oil 1.0%S	13.50	14.00	15.76	16.21	16.96	16.99	13.69	15.39	13.04	13.97	14.38	14.80	16.99	17.51
Fuel Oil 3.5%S	10.22	13.01	14.82	14.80	16.39	15.76	12.97	14.16	12.90	13.61	13.19	13.36	15.93	15.67
Gross Product Worth[2]	20.27	18.46	19.41	18.82	18.71	20.56	18.96	19.42	18.88	19.48	18.53	19.49	20.25	20.15
NY Harbour														
Super Unleaded 93	23.69	23.65	24.81	23.32	23.07	27.67	24.73	23.78	24.72	26.04	22.03	22.96	26.36	23.40
Regular Unleaded 87	21.58	20.54	22.57	20.90	21.34	25.29	22.38	21.29	22.34	23.43	20.50	21.17	22.19	21.10
Jet/Kerosene	23.33	22.20	21.76	22.12	20.13	21.76	21.78	23.37	21.92	22.75	22.23	23.02	24.86	24.61
No.2 (Heating Oil)	22.04	20.68	20.72	20.45	19.79	20.61	20.41	22.08	20.62	21.05	20.51	21.75	23.98	23.07
Fuel Oil 1.0%S	14.63	15.05	16.06	15.44	16.25	17.03	14.71	16.24	14.25	14.63	14.67	15.63	18.42	21.78
Fuel Oil 3.0%S	11.21	12.25	14.47	13.72	15.12	16.10	12.82	13.85	12.75	13.17	13.06	13.31	15.18	15.36
Gross Product Worth[3]	20.16	19.04	19.94	18.73	18.99	22.27	19.28	19.22	19.46	19.66	18.48	19.03	20.16	20.23
Singapore														
Gasoline[4]	24.01	21.10	22.11	20.17	21.64	23.05	22.30	21.47	22.16	20.82	20.33	22.26	21.83	20.72
Naphtha	17.22	16.34	17.54	18.37	18.25	18.96	16.69	16.26	16.43	16.34	15.81	15.94	17.03	17.43
Jet/Kerosene	24.42	21.74	22.72	23.36	22.30	22.35	21.13	25.10	20.79	21.56	22.80	24.71	27.80	30.33
Gasoil	24.02	20.87	21.60	21.73	21.24	22.47	20.63	22.08	20.34	20.50	20.45	21.92	23.86	25.04
LSWR (0.3%S)	14.90	13.58	14.74	13.33	14.09	15.43	13.80	15.64	13.57	14.62	14.94	15.29	16.68	16.42
HSFO (3.5%S 180cst)	11.83	13.17	14.98	14.23	15.81	15.81	13.14	15.18	13.26	12.92	13.78	14.91	16.85	17.81
Gross Product Worth[5]	17.17	16.29	17.42	17.22	17.49	17.98	16.30	17.91	16.18	16.18	16.62	17.62	19.49	20.47

* 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.

Table 9

END USER PRICES FOR PETROLEUM PRODUCTS [1]

January 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	6.050	5.023	2.4	-0.9	4.1	-0.7	1.221	0.207	2.5	-1.0	11.3	6.2
Germany	1.483	1.173	-1.3	-4.9	-0.5	-2.2	1.024	0.214	-1.7	-5.3	5.1	3.4
Italy	1855.0	1407.7	0.3	0.9	9.6	11.1	1.177	0.284	1.5	2.2	12.0	13.6
Spain	114.7	80.6	2.9	1.7	2.5	0.7	0.940	0.279	3.3	1.8	11.5	9.4
UK	0.624	0.484	0.3	1.4	4.8	-3.4	0.962	0.215	0.3	0.9	2.6	-6.1
Japan	106	57	0.0	0.0	-6.2	-12.5	1.007	0.466	-3.3	-3.1	-11.0	-16.9
Canada	0.549	0.285	2.0	2.3	4.9	1.5	0.403	0.194	2.5	3.2	8.9	5.4
USA [3]	0.295	0.101	2.8	4.3	-2.3	-3.5	0.295	0.194	2.8	4.3	-2.3	-3.5
AUTOMOTIVE DIESEL [4] Price per Litre												
France	3.432	2.292	5.7	4.6	5.3	3.6	0.693	0.231	6.0	5.5	12.7	11.6
Germany	1.003	0.620	2.1	5.8	2.3	6.4	0.692	0.264	1.6	5.2	8.1	12.3
Italy	1193.28	747.47	1.6	4.3	13.6	19.1	0.757	0.283	2.7	5.6	16.1	22.0
Spain	75.11	43.20	4.8	6.4	4.5	5.6	0.616	0.262	5.3	6.9	13.7	14.9
UK	0.491	0.343	1.7	5.7	6.5	0.0	0.757	0.228	1.7	6.0	4.3	-2.1
Japan	71	34	0.0	0.0	-5.3	-9.8	0.674	0.350	-3.3	-3.3	-10.4	-14.6
Canada	0.509	0.212	0.2	0.3	0.0	0.0	0.374	0.218	0.8	0.9	3.9	3.8
USA	..	..	..	..	..	..	..	..	..	..	..	..
DOMESTIC HEATING OIL Price per 1000 Litres												
France	2107.2	864.1	3.8	4.6	4.1	2.6	425.2	250.8	4.0	4.8	11.2	9.6
Germany	474.7	141.9	1.2	1.5	16.7	21.6	327.6	229.7	0.7	1.0	23.3	28.5
Italy	1352994	963494	1.6	4.7	9.9	8.7	858.6	247.2	2.8	6.0	12.3	11.0
Spain	42799	18503	6.7	8.6	2.9	2.8	351.0	199.2	7.2	9.1	11.9	11.8
UK	161.50	35.26	11.4	13.8	13.0	13.8	249.0	194.6	11.4	13.8	10.6	11.4
Japan [5]	39655	1155	0.0	0.0	-8.8	-8.8	376.6	365.6	-3.3	-3.3	-13.5	-13.5
Canada	372.0	31.0	0.0	0.0	-1.1	-0.9	273.1	250.3	0.6	0.6	2.6	2.8
USA [6]	..	..	..	..	..	..	..	..	..	..	..	..
HFO FOR INDUSTRY [4], [7] Price per Metric Ton												
France	792.0	156.9	5.7	6.8	-5.6	-7.3	159.8	128.2	5.9	7.0	0.8	-0.9
Germany	220.0	30.0	8.9	10.5	-5.6	-6.4	151.8	131.1	8.3	9.9	-0.2	-1.1
Italy	297270	45000	6.5	7.8	2.9	3.4	188.7	160.1	7.9	9.1	5.1	5.6
Spain	21167	2150	7.6	8.1	-4.0	-4.8	173.6	155.9	8.1	8.7	4.4	3.5
UK	96.03	18.20	8.7	11.0	1.5	-0.1	148.1	120.0	8.8	11.1	-0.6	-2.2
Japan	16263	474	0.0	0.0	-6.2	-6.3	154.4	149.9	-3.3	-3.3	-11.2	-11.2
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 December 1995 data.
7 High sulphur fuel oil price for France, Spain, UK and Japan; low sulphur fuel oil price for Germany and Italy.

Sources and Use of Data and Geographical Definitions

Supply, Demand, Stock and Refinery Activity Data

The historical data in this Report are submitted in the monthly oil and gas statistics questionnaire returned by 24 OECD countries consisting of the 23 Member countries of the International Energy Agency (IEA) and Iceland. Mexico continues to be included with the non-OECD countries (in Latin America) pending submission of detailed historical data needed to incorporate Mexico into the OECD. The submissions are made during the seven- to eight-week period following the month to which the figures relate and cover supply, demand and stock data for crude oil and individual oil products. The data are revised as necessary, and notably when more definitive annual data become available.

The statistical material received by the Secretariat from Member governments is supplemented by a variety of other sources, including industry contacts and consultancy services. In addition, the Secretariat projects the world oil demand and non-OPEC supply for the time period shown in Table 1.

Price Data

Monthly average CIF crude import prices are submitted every month by IEA Member countries. Data are averaged for the total IEA Member countries using the quantity of crude imports for individual countries by weight. The spot crude and product price assessments are based on daily Platt's prices, converted where appropriate to US Dollars per barrel according to the Platt's specification of products (© 1995 Platt's, a division of McGraw-Hill Inc.). Graphs in the text are of daily price data, while tables in the text and Table 8 show arithmetic averages by weeks, months, quarters and years. Gross product worth and refining margins are derived from spot crude and product prices, using the Secretariat's own estimates of refinery yields, freight and other costs. End-user prices are mid-month prices submitted monthly by OECD countries. The prices are net of any rebates and usually include transportation costs to the consumer. They include all taxes to be paid by the consumer which are not refundable.

Use of Data

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

The data used in the Report are taken from sources considered by the Secretariat to be reliable, but are inevitably of variable quality. They should therefore always be used with caution, and 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.