9 June 2000

HIGHLIGHTS

- Oil prices rose back above the $30 per barrel level in May, despite a large build in stocks. Tightness in gasoline supply, due to low inventories and new environmental standards, dominated markets. Increases in other product prices lagged behind those of crude, resulting in a sharp deterioration of margins in Europe and Asia, which could reduce refinery crude runs.

- Based on preliminary figures, global oil demand is expected to average only 74.4 million b/d in the second quarter. This is a downward revision of 650 kb/d, primarily due to a demand slowdown caused by higher prices. However, the timing of discretionary purchases may cause some of these losses to slip from the second to the third quarter. Demand is now expected to average 76.2 million b/d in 2000, with growth 150 kb/d lower than in last month's Report, at 1.3 million b/d.

- One area of continued demand strength was China, where net imports reached a record 1.7 mb/d in March, due to growing manufacturing exports, infrastructure projects and fuel switching from coal to oil.

- While demand was decreasing seasonally, supply was increasing. World oil production averaged 76.9 million b/d in May, a gain of 640 kb/d from April. OPEC crude supply rose 420 kb/d, of which 335 kb/d came from Iraq, where exports reached a post-Gulf War high of 2.36 million b/d.

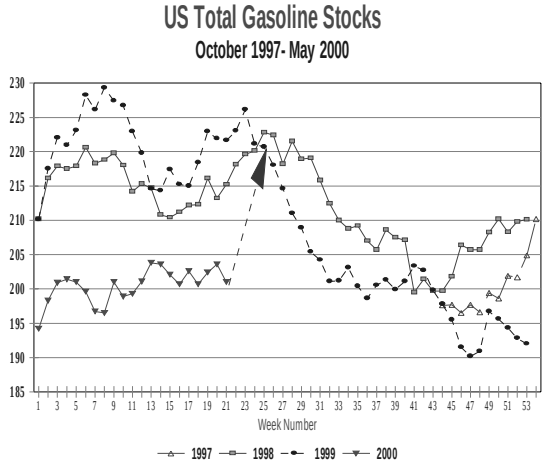
- Even with demand down and supply up, the increase in OECD industry stocks in April was a surprisingly strong 1.75 million b/d. Inventory gains in the OECD Pacific reached an unprecedented 1 million b/d. North American stocks increased by an unusually large 860 kb/d. However, highly visible stocks of US gasoline and distillates fell slightly.

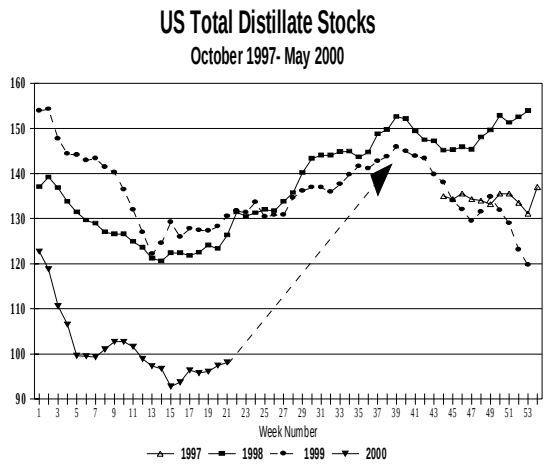
CONTENTS

WHY $30 OIL?

Oil supply appears to have exceeded current demand by almost 3 million b/d in May. For the second quarter of 2000, a global stock build of 1.9 million b/d is projected. OECD industry stocks in April already show a 1.75 mb/d build and that for May is expected to be even larger. Yet oil prices are now approaching the upper limit of OPEC's "price band", West Texas Intermediate crude traded above $30 per barrel in late May, after testing the band's lower limit in early April. What's going on here?

Two factors are at work. First, refiners already are looking at crude oil requirements for July, when markets will be much more balanced. Second, the high-profile US gasoline market and, to a lesser extent, the US distillate market, are very tight. Resulting high product prices have led crude oil prices higher. Very strong gasoline demand in the US is drawing product out of the system as fast as refiners can put it in. Because gasoline yield is being maximised, output of distillates may not be sufficient to assure adequate supplies for the next winter. Furthermore, the availability of imports to help satisfy gasoline demand or to accelerate the rebuilding of heating oil stocks is being inhibited by low stock levels in Europe. Specification changes in US gasoline make it difficult to blend in foreign material.





The two graphs above show weekly US gasoline and distillate stocks over the last three years. In order to bring gasoline stocks to a more normal level, about 15 million barrels or 5 million barrels per week, need to be put into inventory over the next three weeks. For distillates there is more time, but there is a 50 million barrel deficit to make up**.** With gasoline yields already running at over 55% in recent weeks, there is considerable vulnerability to pipeline problems and refinery outages can be very important. As a recent example, difficulties with the Explorer Pipeline serving the Midwest caused serious supply problems in the St. Louis area. The Environmental Protection Agency (EPA) temporarily waived new summer-grade reformulated gasoline (RFG) standards. Other areas have petitioned the EPA for RFG waivers, but so far unsuccessfully. Unplanned refinery outages have resulted in additional upward pressure on US regional gasoline prices. There is a further complication related to patents on formulas for the Phase II RFG standards. These patents require a substantial royalty payment (5.75 cents/gal) from anyone deliberately or inadvertently producing one of the extensive number of blends covered by the patents.

The current majority in the market seems to be that, despite the tightness in US markets, OPEC's meeting on 21 June will not result in an increase in production and crude produced in the second quarter will be absorbed by summer demand. There is also skepticism about whether an "automatic" production increase associated with the OPEC price band mechanism will be forthcoming. With economic growth still quite strong and the heating season looming, there would then be an urgent need for a substantial production increase at OPEC's 10 September meeting. Iraqi production remains a major wildcard, with possible involuntary reductions, due to ongoing abuse of fields and infrastructure, or deliberate political reductions.

This clearly is a market looking forward, rather than focusing on the strong stock build underway in the second quarter. Concerns about the adequacy of gasoline supplies this summer and heating oil next winter, doubts about the durability of Iraqi output and skepticism regarding the OPEC price band are all contributing to the current $30 oil price.

DEMAND

Summary

- Global oil demand in 1999 has been reduced by 170 kb/d to 74.9 mb/d, primarily to reflect upwardly revised export figures for the Former Soviet Union. The apparent demand for oil in the FSU dropped 280 kb/d last year, but declines seem to have slowed.

- Demand is now expected to average 76.2 mb/d in 2000, 1.3 mb/d (1.8%) higher than last year. Estimated growth has been reduced by 150 kb/d, for the most part in the first half, to reflect a slowdown in demand in response to higher prices.

Global Demand from 1999 to 2000

	Demand (mb/d)	Annual Change* (%)	Annual Change* (mb/d)	Changes from last month's Report (mb/d)
1Q99	76.0	1.9	1.4	-0.1
2Q99	72.8	0.2	0.2	-0.2
3Q99	74.3	1.3	0.9	-0.2
4Q99	76.4	2.0	1.5	-0.1
1Q00	75.6	-0.4	-0.3	-0.1
2Q00	74.4	2.2	1.6	-0.7
3Q00	76.4	2.7	2.0	-0.2
4Q00	78.4	2.6	2.0	-0.3
1998	73.9	0.6	0.4	-
1999	74.9	1.4	1.0	-0.1
2000	76.2	1.8	1.3	-0.3

* year-on-year change

- Preliminary figures for April inland deliveries of petroleum products in eight key OECD markets show a decline of 0.6%. This represents a partial recovery of the indicator, which had collapsed from 3% growth in December to an exaggerated 4% decline by March. Early signals of US demand in May have been extremely bullish, with the US DOE's Energy Information Agency reporting that the four-week average of product supplied through 26 May was over 6% higher than a year earlier.

Global Oil Demand by Region

(million barrels per day)

		Annual Change (mb/d)			Annual Change (%)		
	1999	1998	1999	2000	1998	1999	2000
North America	24.03	0.43	0.65	0.26	1.9	2.8	1.1
Europe	16.03	0.28	-0.17	0.15	1.8	-1.1	1.0
OECD Pacific	8.79	-0.56	0.22	0.16	-6.2	2.6	1.9
China	4.71	0.07	0.29	0.26	1.7	7.0	6.0
Other Asia	7.42	0.04	0.36	0.30	0.6	5.3	4.2
Subtotal Asia	20.92	-0.45	0.87	0.73	-2.3	4.5	3.6
FSU	3.76	-0.19	-0.28	-0.04	-4.4	-6.9	-1.1
Middle East	4.31	0.10	-0.07	0.09	2.5	-1.6	2.0
Africa	2.45	0.07	•	0.06	2.9	-0.1	2.6
Latin America	4.71	0.20	0.01	0.09	4.4	0.1	2.0
World	76.21	0.44	1.00	1.33	0.6	1.4	1.8

- Based on preliminary indications of deliveries, global oil demand is now expected to average 74.4 mb/d in the second quarter. This estimate has been reduced 650 kb/d since the last *Oil Market Report* to reflect not only significantly lower FSU demand, but also slowing demand in both OECD and non-OECD countries, in part related to higher prices. However, the timing of discretionary purchases may cause some of the expected losses to slip from second to third quarter instead.

Summary of Global Oil Demand

	1997	1Q98	2Q98	3Q98	4Q98	1998	1Q99	2Q99	3Q99	4Q99	1999	1Q00	2Q00	3Q00	4Q00	2000
Demand (mb/d)																
North America	22.70	22.64	22.98	23.45	23.43	23.13	23.59	23.37	24.00	24.14	23.78	23.32	23.73	24.48	24.59	24.03
Europe	14.99	15.38	14.69	15.18	15.86	15.28	15.77	14.37	14.69	15.65	15.12	15.15	14.74	15.22	15.95	15.27
Pacific	8.97	9.17	7.74	7.95	8.79	8.41	9.40	7.86	8.16	9.11	8.63	9.27	8.09	8.39	9.42	8.79
Total OECD	46.66	47.19	45.41	46.57	48.08	46.82	48.77	45.60	46.84	48.89	47.52	47.74	46.56	48.08	49.97	48.09
FSU	4.27	4.52	4.09	3.89	3.83	4.08	4.03	3.38	3.77	4.00	3.80	3.77	3.50	3.81	3.94	3.76
Europe	0.77	0.83	0.77	0.71	0.77	0.77	0.81	0.75	0.70	0.76	0.76	0.78	0.75	0.72	0.79	0.76
China	4.08	4.35	4.25	4.03	3.98	4.15	4.27	4.60	4.49	4.40	4.44	5.06	4.70	4.57	4.49	4.71
Other Asia	6.73	6.62	6.75	6.71	6.98	6.76	7.02	7.16	7.12	7.18	7.12	7.12	7.43	7.47	7.65	7.42
Latin America	4.42	4.43	4.67	4.73	4.61	4.61	4.49	4.64	4.70	4.65	4.62	4.51	4.73	4.82	4.78	4.71
Middle East	4.19	4.19	4.31	4.44	4.23	4.29	4.20	4.29	4.31	4.09	4.22	4.19	4.35	4.45	4.26	4.31
Africa	2.32	2.41	2.38	2.30	2.48	2.39	2.36	2.36	2.38	2.45	2.39	2.46	2.39	2.44	2.52	2.45
Total Non-OECD	26.77	27.36	27.21	26.81	26.87	27.06	27.19	27.19	27.48	27.53	27.35	27.89	27.86	28.28	28.43	28.12
World	73.43	74.55	72.62	73.39	74.95	73.88	75.96	72.79	74.32	76.43	74.88	75.63	74.42	76.36	78.40	76.21
of which:																
US (ex Terr.)	*18.62*	*18.46*	*18.86*	*19.24*	*19.10*	*18.92*	*19.23*	*19.16*	*19.69*	*19.79*	*19.47*	*18.98*	*19.36*	*20.01*	*20.07*	*19.61*
Euro 4	*8.62*	*8.82*	*8.33*	*8.62*	*8.90*	*8.67*	*8.96*	*7.89*	*8.21*	*8.76*	*8.45*	*8.38*	*8.11*	*8.48*	*8.80*	*8.45*
Japan	*5.71*	*6.16*	*4.98*	*5.24*	*5.71*	*5.52*	*6.17*	*5.02*	*5.24*	*5.86*	*5.57*	*5.98*	*5.07*	*5.31*	*5.96*	*5.58*
Korea	*2.28*	*2.05*	*1.79*	*1.75*	*2.08*	*1.92*	*2.26*	*1.85*	*1.94*	*2.20*	*2.06*	*2.31*	*1.99*	*2.08*	*2.41*	*2.20*
Mexico	*1.85*	*1.91*	*1.92*	*1.95*	*2.00*	*1.95*	*2.05*	*1.98*	*1.96*	*2.01*	*2.00*	*2.06*	*2.08*	*2.06*	*2.11*	*2.08*
Canada	*1.94*	*1.98*	*1.93*	*1.98*	*2.04*	*1.99*	*2.01*	*1.96*	*2.06*	*2.04*	*2.02*	*1.98*	*2.01*	*2.13*	*2.12*	*2.06*
Brazil	*1.87*	*1.86*	*1.96*	*2.02*	*1.97*	*1.95*	*1.89*	*1.96*	*2.01*	*2.01*	*1.97*	*1.90*	*2.00*	*2.06*	*2.07*	*2.01*
India	*1.78*	*1.88*	*1.85*	*1.78*	*1.93*	*1.86*	*2.05*	*2.02*	*1.96*	*2.03*	*2.01*	*2.08*	*2.14*	*2.07*	*2.21*	*2.13*
Annual Change (% per annum)																
North America	2.2	1.8	2.2	2.3	1.3	1.9	4.2	1.7	2.4	3.0	2.8	-1.1	1.5	2.0	1.9	1.1
Europe	0.8	3.8	-0.6	1.3	3.0	1.9	2.6	-2.2	-3.2	-1.3	-1.0	-4.0	2.6	3.6	1.9	1.0
Pacific	1.7	-6.9	-5.3	-5.9	-6.6	-6.2	2.5	1.6	2.6	3.6	2.6	-1.4	2.9	2.8	3.5	1.9
Total OECD	1.7	0.6	-0.1	0.5	0.3	0.3	3.3	0.4	0.6	1.7	1.5	-2.1	2.1	2.6	2.2	1.2
FSU	-1.3	5.2	-1.6	-8.2	-12.7	-4.4	-10.7	-17.4	-2.9	4.5	-6.9	-6.6	3.6	1.0	-1.6	-1.1
Europe	1.7	-0.0	-0.0	-0.0	-0.0	-0.0	-1.6	-1.6	-1.6	-1.6	-1.6	-4.2	-0.7	2.9	4.0	0.4
China	11.0	7.2	8.9	-1.3	-6.9	1.7	-1.7	8.3	11.2	10.8	7.0	18.5	2.3	1.8	2.0	6.0
Other Asia	5.5	-1.0	-0.4	0.7	3.0	0.6	6.1	6.1	6.1	2.9	5.3	1.4	3.8	4.9	6.6	4.2
Latin America	3.5	6.1	5.3	4.5	2.0	4.4	1.2	-0.7	-0.6	0.7	0.1	0.5	2.0	2.5	2.9	2.0
Middle East	4.2	3.2	3.0	1.9	2.0	2.5	0.2	-0.3	-2.9	-3.1	-1.6	-0.3	1.4	3.1	4.0	2.0
Africa	3.5	4.0	1.6	0.7	5.2	2.9	-2.1	-0.8	3.7	-1.1	-0.1	4.0	1.0	2.3	3.2	2.6
Total Non-OECD	4.3	3.5	2.4	-0.2	-1.3	1.1	-0.6	-0.1	2.5	2.5	1.1	2.6	2.5	2.9	3.3	2.8
World	2.6	1.6	0.8	0.2	-0.3	0.6	1.9	0.2	1.3	2.0	1.4	-0.4	2.2	2.7	2.6	1.8
Annual Change (mb/d)																
North America	0.48	0.39	0.49	0.53	0.31	0.43	0.95	0.39	0.55	0.70	0.65	-0.27	0.36	0.48	0.45	0.26
Europe	0.13	0.56	-0.09	0.20	0.47	0.28	0.39	-0.32	-0.49	-0.21	-0.16	-0.62	0.37	0.53	0.30	0.15
Pacific	0.15	-0.68	-0.43	-0.50	-0.62	-0.56	0.23	0.12	0.21	0.32	0.22	-0.13	0.23	0.23	0.32	0.16
Total OECD	0.76	0.27	-0.04	0.23	0.16	0.15	1.58	0.19	0.27	0.81	0.71	-1.03	0.96	1.24	1.07	0.57
FSU	-0.06	0.22	-0.07	-0.35	-0.56	-0.19	-0.48	-0.71	-0.11	0.17	-0.28	-0.27	0.12	0.04	-0.06	-0.04
Europe	0.01	-0.00	-0.00	-0.00	-0.00	-0.00	-0.01	-0.01	-0.01	-0.01	-0.01	-0.03	-0.00	0.02	0.03	0.00
China	0.41	0.29	0.35	-0.05	-0.30	0.07	-0.07	0.35	0.45	0.43	0.29	0.79	0.11	0.08	0.09	0.26
Other Asia	0.35	-0.07	-0.03	0.05	0.20	0.04	0.40	0.41	0.41	0.20	0.36	0.10	0.27	0.35	0.47	0.30
Latin America	0.15	0.26	0.24	0.20	0.09	0.20	0.05	-0.03	-0.03	0.03	0.01	0.02	0.09	0.12	0.13	0.09
Middle East	0.17	0.13	0.13	0.08	0.08	0.10	0.01	-0.01	-0.13	-0.13	-0.07	-0.01	0.06	0.13	0.16	0.09
Africa	0.08	0.09	0.04	0.02	0.12	0.07	-0.05	-0.02	0.09	-0.03	-0.00	0.09	0.02	0.05	0.08	0.06
Total Non-OECD	1.10	0.92	0.65	-0.05	-0.36	0.29	-0.16	-0.02	0.67	0.66	0.29	0.70	0.67	0.80	0.90	0.77
World	1.86	1.20	0.61	0.17	-0.20	0.44	1.42	0.17	0.93	1.48	1.00	-0.33	1.63	2.04	1.98	1.33
Changes from Last Month's Report																
North America	-	-	-	-	-0.02	-	-	-	-	-	-	-0.16	0.01	0.11	-0.09	-0.03
Europe	-	-	-	-	-	-	-0.01	0.01	0.01	0.02	0.01	0.02	-0.13	-	0.03	-0.02
Pacific	-	-	-	-	-	-	-	-	-	-	-	0.04	-0.14	-0.06	-0.02	-0.05
Total OECD	-	-	-	-	-0.02	-	-0.01	0.01	0.01	0.02	0.01	-0.10	-0.27	0.05	-0.08	-0.10
FSU	-	-	-	-	-	-	-0.17	-0.20	-0.23	-0.08	-0.17	0.04	-0.17	-0.23	-0.18	-0.14
Europe	-	-	-	-	-	-	-	-	-	-	-	-0.05	-0.03	-0.01	-	-0.02
China	-	-	-	-	-	-	-	-	-	-	-	0.30	-0.05	-0.02	-0.10	0.03
Other Asia	-	-	-	-	-	-	-	-	-	-	-	-0.11	-0.06	-0.04	-	-0.05
Latin America	-	-0.01	-	-	-	-	-	-	-	-0.04	-0.01	-0.06	-0.01	-	-0.04	-0.03
Middle East	-	-	-	-	-	-	-	-	-	-	-	-	-0.02	0.03	0.06	0.01
Africa	-	-	-	-	-	-	-	-	-	-	-	-0.07	-0.04	-0.02	-	-0.03
Total Non-OECD	-	-0.01	-	-	-	-	-0.17	-0.20	-0.23	-0.12	-0.18	0.04	-0.38	-0.29	-0.26	-0.22
World	-	-0.01	-	-	-0.02	-0.01	-0.18	-0.20	-0.21	-0.10	-0.17	-0.06	-0.65	-0.23	-0.35	-0.32

OECD

Early Indications of Current Demand

According to preliminary statistics, inland deliveries of petroleum products in eight key OECD markets contracted fractionally, by 0.6% or 225 kb/d, in April. This represents a partial recovery of the aggregate indicator, which had collapsed from 3% growth in December to a 4% decline by March. The weakness in March's figure was exaggerated by the swing from pre-purchasing in early 1999 to buyer restraint in March 2000. Early reports of US demand in May have been very bullish indeed, with EIA statistics for the week ending 26 May showing that the four-week average of product supplied was over 6% higher than a year earlier. But preliminary estimates are only early indicators. March oil demand growth was several points stronger than the preliminary readings suggested in Germany, and several points weaker in Italy.

Japanese deliveries continue to slump, down by 2.7% in March and by 2% in April. The decline contains a mixed signal, however: a demand increase of 65 kb/d in naphtha for petrochemicals which partially offset declines in transportation fuel (110 kb/d) and in residual fuel oil plus crude oil burned directly (75 kb/d in combination). But the net loss is surprisingly modest considering that oil deliveries to the electric utility sector fell from 550 kb/d last April to just 220 kb/d this April, with utility oil consumption at an even-lower 185 kb/d. Higher nuclear output this April accounted for the difference, reducing oil-fired power by 7 Gwh. Although Korean deliveries declined according to these preliminary figures, they did so relative to an extremely strong April 1999, when demand increased by 10%.

France's reported decline is partly simple variation in the month-to-month statistics, but roughly half may be related to prices: 20% higher prices for gasoline and diesel, 40% higher for heating oil, and 75% higher for heavy fuel oil. In Germany, deliveries of heating oil were 170 kb/d higher than the unusually low level a year earlier, when consumers chose to build stocks in the low-priced first quarter of 1999, then virtually stopped buying. Weakness in Italian deliveries is unchanged from the previous month. In the UK, deliveries slipped about 25 kb/d, with gains in jet kerosene and diesel insufficient to offset losses in gasoline, naphtha and heavy fuel oil.

Preliminary Inland Deliveries – April 2000[1]

	Gasoline		Jet/Kerosene		Diesel		Gasoil		RFO		Other[2]		Total Products	
	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa	mb/d	% pa
United States[3]	8.54	1.1	1.67	2.1	2.45	1.3	1.20	18.0	0.65	-10.6	4.47	-9.3	18.98	-1.0
Mexico	0.51	1.4	0.06	3.6	0.26	-1.5	0.00	-25.0	0.54	28.3	0.34	5.2	1.71	8.9
Japan	0.94	-0.4	0.47	-10.0	0.71	-5.6	0.48	-0.8	0.51	-4.3	1.65	1.8	4.76	-2.0
Korea	0.18	-4.9	0.04	-27.3	0.37	-2.9	0.16	-11.5	0.35	-1.4	0.90	4.4	1.99	-1.1
France	0.32	-9.8	0.13	3.8	0.54	-4.7	0.26	-11.3	0.06	-16.3	0.52	-0.9	1.82	-5.5
Germany	0.70	0.9	0.14	-4.2	0.55	2.3	0.44	61.2	0.10	-17.2	0.49	-0.6	2.42	6.9
Italy	0.40	-6.2	0.07	-1.7	0.35	-1.1	0.08	0.6	0.26	-8.8	0.39	-3.9	1.57	-4.4
UK	0.48	-3.2	0.29	4.0	0.31	6.3	0.16	-5.3	0.03	-27.1	0.27	-7.3	1.53	-1.8
Total	12.06	0.1	2.86	-0.8	5.55	-0.5	2.79	11.3	2.50	-2.1	9.04	-4.4	34.80	-0.6

Sources: US EIA, Japan MITI, France CPDP, Germany MWV, UK PIA, Italy Ministry of Industry, Statistics Canada, Mexico Pemex, Korea PEDCO
Percentage change is calculated from the same month of the previous year
1 excludes refinery fuel and bunkers (except US)
2 includes direct use of crude oil
3 fifty states only. Diesel's share of total distillate is estimated

The preliminary US DOE figures (in absolute terms) show a decline of 200 kb/d for April. Gains of 215 kb/d, 90 kb/d and 35 kb/d in diesel/gasoil, gasoline and jet kerosene were nearly swamped by a reported 460 kb/d decline in "other products". The American Petroleum Institute reckoned that US deliveries increased in April by an estimated 2% instead. The API estimate should be treated with particular caution, however, because of the base figure used for April 1999: 18.86 mb/d, or 210 kb/d lower than the latest estimate including data resubmissions (corrections). The same caveat applies to growth implied by weekly DOE estimates for May, which are seem extremely bullish (in terms of percentage growth) because they are measured against a too-low base of 18.2 mb/d, 430 kb/d under the current best estimate. Final figures for US demand in 1999 will become available with this summer's publication of the EIA Petroleum Supply Annual.

Growth in Mexican inland deliveries rose from not quite 2% in March to nearly 9% in April; 120 of the 140 kb/d increase was in heavy fuel oil, causing a firming of US Gulf Coast HFO prices. The preliminary ("flash") estimate of Canadian deliveries, unfortunately received too late to incorporate into the figures in this Report, shows a 5% decline in April deliveries, half due to declines in heavy products: heavy fuel oil, asphalt, petroleum coke, lubricating oils and greases.

Year-on-year increases in retail prices in most of these markets (measured in local currency terms) were essentially unchanged between April and May. Gasoil and fuel oil prices increased by 9-10 percentage points in France and by 15-17 points in Germany, but this is due in part to a weaker Euro/US dollar exchange rate.

Percentage Annual Change in Retail Prices in May 2000[1]
(% per annum change in local currency)

	Gasoline	Diesel	Gasoil	HFO
USA	30	32	na	na
Canada	25	25	na	na
Japan[2]	11	8	12	30
France	19	19	48	83
Germany	15	19	55	65
Italy	11	13	13	55
UK	12	13	45	40

1 Mid-month
2 Japanese heating oil is represented by kerosene

European gasoil and heavy fuel oil remain significantly more expensive than a year ago, so that there will probably be continued restraint in price-sensitive industrial and electric utility demand.

The collapse in oil demand growth in the nine largest OECD markets has halted, moving sideways from 57 kb/d through March to 65 kb/d through April. The single largest change is for Germany, where the average rose by 60 kb/d due to April heating oil deliveries. This gain was offset by slowing growth in the US (-30 kb/d) and in Korea (-20 kb/d).

Moving Annual Average Change in Oil Demand in April
(12-Month Moving Average to April 2000)

	LPG	Naphtha	Gasoline	Jet/ Kerosene	Diesel	Other Gasoil	RFO	Other	Total	*kb/d*
US	12.4%	-13.9%	1.5%	0.5%	5.9%	-4.0%	-13.3%	-0.4%	1.5%	296
Canada*	4.4%	-1.5%	2.0%	7.2%	4.9%	2.5%	-16.4%	-0.2%	1.1%	21
Mexico	5.7%	-43.0%	0.7%	3.3%	-0.6%	na	-0.8%	23.0%	1.8%	35
Japan	-1.9%	4.0%	2.0%	-0.8%	-1.6%	2.5%	-3.4%	-7.2%	-0.5%	-26
Korea	15.0%	3.5%	-0.6%	-2.1%	-1.3%	9.0%	8.5%	11.6%	4.5%	90
France	-2.1%	-3.1%	-0.9%	11.2%	4.9%	-3.3%	-5.9%	-12.4%	-0.7%	-15
Germany	-4.9%	1.7%	-1.5%	5.8%	3.9%	-23.5%	-4.6%	-4.8%	-6.6%	-192
Italy	-0.7%	2.6%	-3.6%	7.6%	4.9%	-6.5%	-13.2%	-13.6%	-4.7%	-89
UK	-0.0%	1.0%	-1.7%	1.9%	1.3%	-8.4%	-28.3%	-3.6%	-3.0%	-54
Total	7.5%	-0.0%	0.9%	1.2%	3.6%	-6.5%	-6.9%	-2.1%	0.2%	65
Kb/d	293	-0	119	41	193	-247	-252	-81	65	

* near-month data are estimated

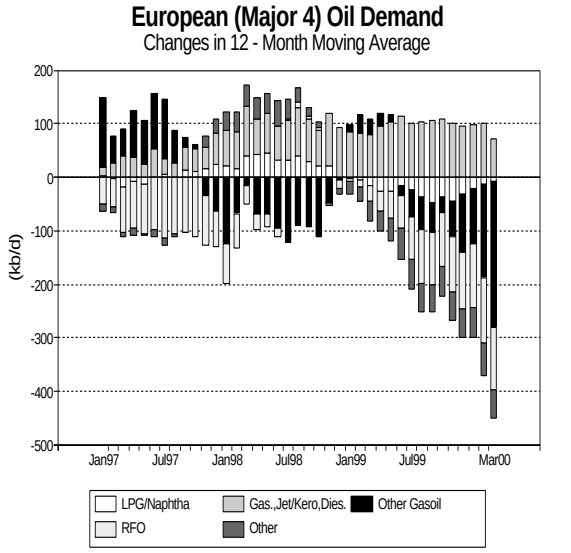
Demand for transportation fuels (gasoline, jet kerosene and diesel) is braking, with average growth 70 kb/d lower than last month, half in jet kerosene. The laggards here are jet/kerosene in Japan and Korea, with growth dropping 2 percentage points in Japan and 7 points in Korea. But demand for jet kerosene in Korea in last year's first quarter was exceptionally high: more than 70% higher than in the previous year, as airlines and airports restocked for higher traffic levels arising from Asian economic recovery. In the first quarter of 2000, Korean jet/kerosene demand fell 10% from that high-tide mark, so the weakness was more apparent than real.

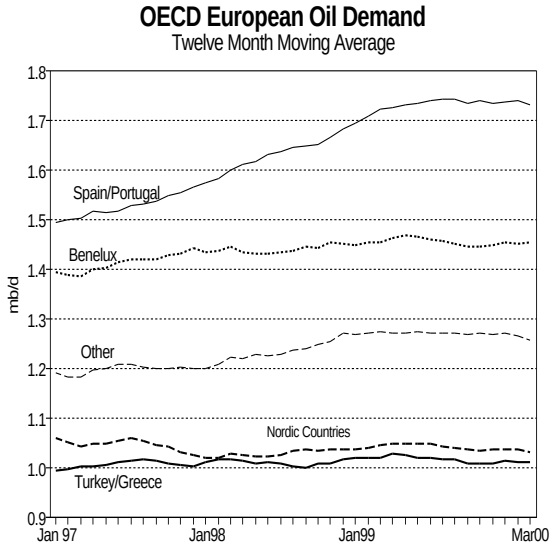
European Demand

Demand for petroleum products in OECD Europe this year is expected to increase by an average 150 kb/d, to 15.3 mb/d this year. The estimate has been reduced modestly to reflect slower growth in the second quarter, in part due to higher prices. As the charts below show, oil demand has flattened in Spain and Portugal and continues to slip in the European Four (France, Germany, Spain, and Italy). The left-hand chart shows that demand gains in LPG and naphtha for petrochemicals (the topmost section of the bars) have begun to slow, while fuel oil's losses continue. Oil use in the industrial and electric sectors remains a wildcard, its demand sensitive to relative oil prices and environmental goals.

Demand this year is anticipated to grow by nearly 40 kb/d (about 2%) in **France**, by 55 kb/d (4%) in **Spain**, and by 40 kb/d (2.7%) in the **Benelux** countries; **Portugal**, **Ireland**, **Greece**, **Poland** and **Portugal** are also expected to contribute an average 10 kb/d growth each. Demand declines are expected to continue in **Germany**, **Italy** and the **UK**, but at rates less steep than those of last year.

The difference will be most noticeable in Germany, where heating oil demand is projected to increase an average 200 kb/d in the second and third quarters as consumers restock before winter. However, a portion of the German gasoil demand lost may be permanent, created by consumers who took the opportunity to switch from oil to gas for heating.



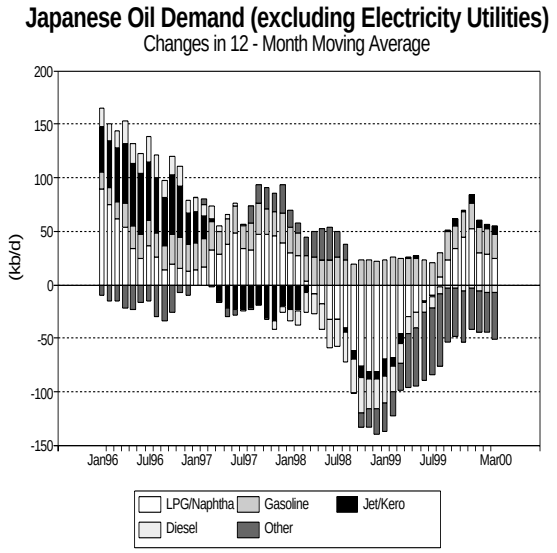


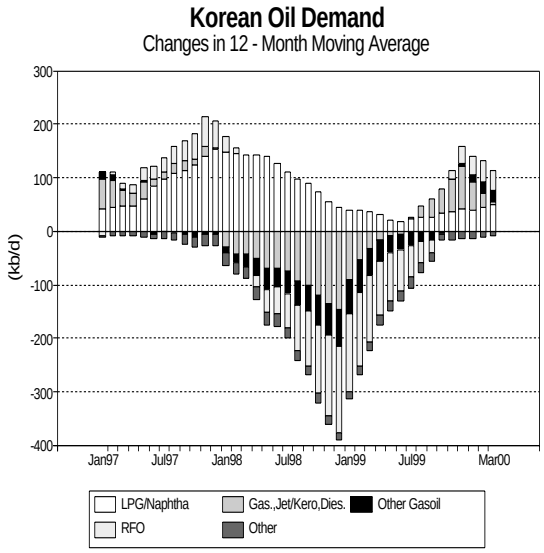
Heavy fuel oil will remain the weakest product in Europe. Demand for it is projected to drop by 75-80 kb/d, about as much as in 1997. Middle distillate is expected to be the strongest fraction of the barrel, with demand increasing by 140 kb/d (110 kb/d gasoil/diesel and the balance jet/kerosene). Naphtha demand is projected to increase by 35 kb/d (assuming petrochemical-sector recovery) and gasoline by just 20 kb/d.

OECD Pacific Demand

Demand in **Japan**, **Korea**, **Australia** and **New Zealand** is still projected to average 8.8 mb/d in 2000, 160 kb/d or 1.9% more than in 1999. The forecast of Japanese demand growth has been reduced to just 10 kb/d, and that of Korea to 135 kb/d or 6.6%. These downward revisions are consistent with efficiency gains resulting from industrial restructuring in Japan (in steel, refining and petrochemicals, for example) and with the recently-observed slowdown in Korean oil demand growth, but may prove too conservative.

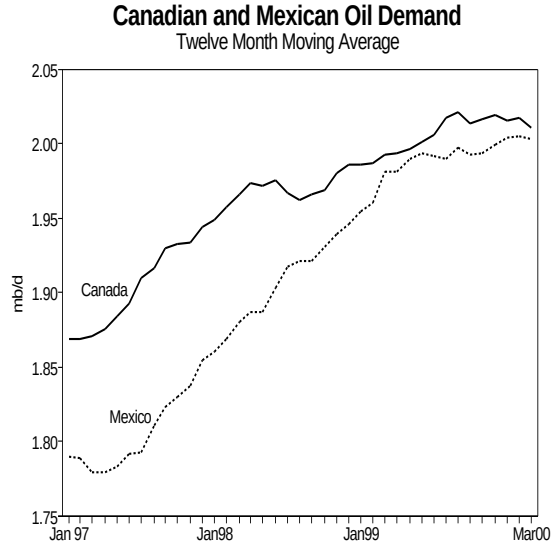
To a large extent, Korean demand this year suffers from comparison with its turning point in the first quarter of 1999. Then, after four successive quarters of losses ranging from 240 kb/d to 460 kb/d, demand abruptly increased by 210 kb/d, 190 kb/d of that in jet/kerosene alone. Off that base, first quarter Korean oil demand this year managed to increase only 50 kb/d. Lower growth (of only 60 kb/d) in the second quarter of 1999 is expected to lead to 150 kb/d growth in the second quarter of 2000.

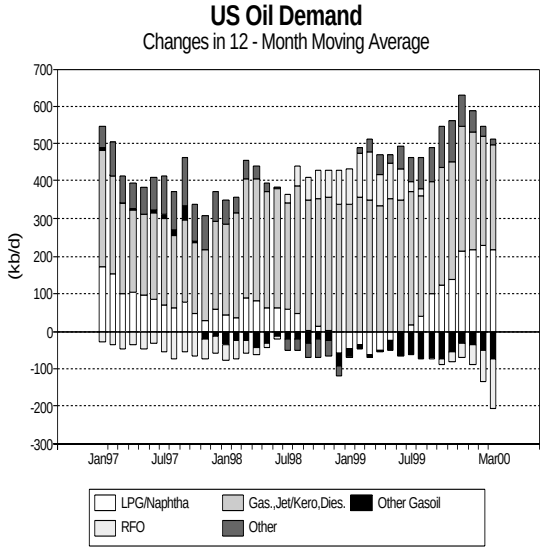




North American Demand

Projected oil demand growth for North America in 2000 has been softened to 250-260 kb/d, reflecting some economic slowdown and some demand response to price. As the right-hand chart below shows, the moving average of US demand growth for transportation fuels (gasoline, diesel and jet/kerosene) slowed from approximately 350 kb/d in 4Q98/1Q99 to less than 300 kb/d in 4Q99/1Q00. **US** oil demand in the fourth quarter of 1999 and first quarter of this year was an average 250 kb/d higher than a year earlier. This is approximately the growth rate now projected for the balance of the year.





Mexican demand is still expected to increase 75 kb/d (4%), about half as much as industrial production, supported by electric utility requirements for heavy fuel oil. **Canadian** oil demand is anticipated to increase about 2%.

Non-OECD

Former Soviet Union Apparent Demand

Newly-revised export statistics have reduced the FSU apparent demand for oil in 1999 by 170 kb/d to 3.8 mb/d, 280 kb/d or nearly 7% lower than in 1998. In general, oil demand tends to grow with the economy. However, after an exchange of views with Russian oil companies and analysts last week Moscow, the view taken in this Report is that FSU oil demand will continue to decline, albeit more

slowly. Estimated FSU production this year has been increased since the last Report based on recent results, with roughly 70% of the increase assumed to be exported.

The current projection is for FSU demand to contract by a modest 40 kb/d this year. Export restrictions meant to preserve oil and oil products supply for the domestic market seem to be quite elastic in practice, with many exceptions granted. Producers manage to stretch their initial 30% export allowances to 40% or even 80%.

Observers generally agree that oil demand is growing in Russia, particularly demand for high-octane gasoline in Moscow. This market has recovered to about 5% annual growth, or about two-thirds the rate in the pre-devaluation period of 1992-1997. But demand for low-octane A-76 truck gasoline, jet fuel, and residual fuel oil are in structural decline due to reduced military requirements (including shutting down some Far East bases), reduced subsidies on airfares, de-industrialisation, and the increasing use of natural gas and LPG.

FSU Apparent Demand
Twelve Month Moving Average

Refinery sophistication, on average, is low, and runs tend to be set to meet gasoline demand. Gasoil, vacuum gasoil, naphtha and fuel oil supply are long (surplus to domestic requirements), and are exported. Gasoline is key because the use of diesel in on-road transportation and in agriculture has been limited by custom and by severe winters.

Refinery utilisation varies as a function of refinery ownership and sophistication. Although Russian refinery utilisation currently averages about 50%, well-situated, sophisticated refineries belonging to vertically-integrated companies run at 80-90% of nameplate capacity. Less-advantaged refineries may operate at utilization rates of only 20%; this is highly unusual, because (due to high fixed and low variable costs), refineries with such low utilisation rates have an extremely high average cost per unit output, so are normally economic. If and when the less efficient FSU refineries are closed, the most efficient refineries will be able to increase operating rates even more.

Chinese Apparent Demand and Trade

Chinese oil demand is currently anticipated to average 4.7 mb/d this year, 6% more than in 1999 and 30 kb/d more than in the last Report. After two months in which demand posted gains of more than 20%, growth slowed in March to 10%. On average, the apparent demand for oil grew 18% in the first quarter, or about one and a half times as much as industrial production and more than twice as much as GDP.

Extremely strong oil demand growth appears to be a combination of consumption driven by manufacturing for export to recovering Asian markets, massive government infrastructure projects, increased reporting of demand due to crackdowns on smuggling, some substitution of oil for coal, and inventory building. With stimulative government spending tapering off, demand should moderate.

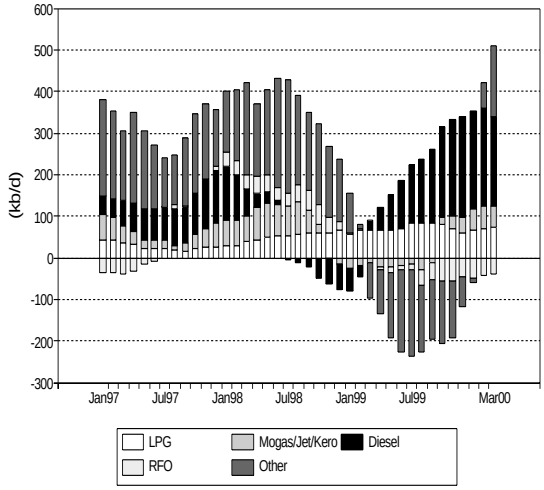
China - Crude Oil and Product Trade
(thousand barrels per day)

	kb/d			Latest Month vs	
	Mar 00	Feb 00	Mar 99	Feb 00	Mar 99
Crude Imports	1604	1469	860	134	744
Crude Exports	131	128	126	2	5
Net Crude Imports	1473	1341	734	132	738
Total Net Imports	*1675*	*1577*	*1256*	*98*	*419*
Product Net Imports					
LPG	125	170	194	-46	-70
Naphtha	-23	2	18	-25	-41
Gasoline	-128	-101	-88	-27	-40
Kerosene	0	-17	19	17	-19
Diesel	-4	2	-1	-6	-3
RFO	243	163	262	80	-18
Other Products	-11	18	119	-29	-130
Total Products	202	237	522	-34	-320

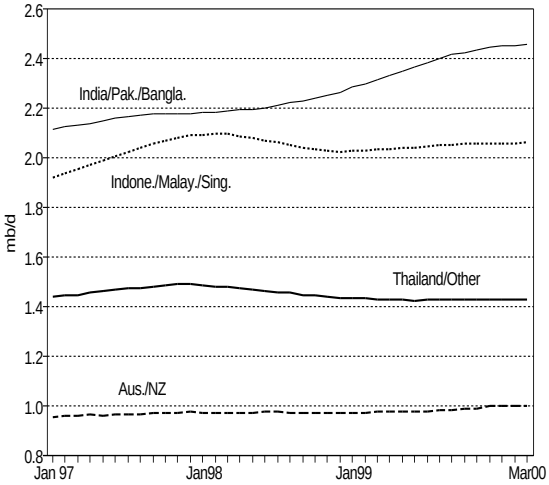
Chinese refinery throughputs rebounded to 3.7 mb/d from February's decline. Despite the reported low (or negative) margins resulting from higher international crude prices and regulated domestic product prices, crude runs increased in response to demand strength. The good news for refiners was that the Government raised retail petroleum prices effective from 5 May, the third such increase in

recent months, following those in November 1999 and February this year. The Government is reportedly working on a new product-pricing mechanism meant better to reflect international product prices.

Chinese Oil Demand
Changes in 12 - Month Moving Average



Asian Oil Demand
Twelve Month Moving Average



Chinese net oil imports are estimated to have increased by 130 kb/d to 1.68 mb/d in March, despite peaking international oil prices. Although this figure falls short of the record 2 mb/d set in December 1993, the earlier report was probably inflated by customs procedures and statistical technicalities as China began importing oil. Effectively, this March's net imports define the record high. Exports of Daiching crude, all destined for Japan, remained unchanged from last month. With refinery runs high, net product imports fell to the lowest level since January 1998. Among the products, fuel oil imports increased by 80 kb/d, while most other product imports decreased.

Indian Demand and Trade

Growth in Indian oil demand has slowed from 170 kb/d for the first three quarters of 1999 (compared to a year earlier) to 100 kb/d in the fourth quarter and most recently to just 30 kb/d in the first quarter of 2000. Part of the slowdown is probably in response to higher prices, and another part due to reduced demand for agricultural diesel in the face of a drought. The current projection is for Indian oil demand averaging 2.1 mb/d in 2000, 110 kb/d more than last year. Price effects should ease by the third and fourth quarters of the year.

India - Crude Oil and Product Trade
(thousand barrels per day)

	kb/d			Latest Month vs	
	Mar 00	Feb 00	Mar 99	Feb 00	Mar 99
Crude Exports*	696	910	980	-214	-284
Total Net Imports	978	1209	1433	-231	-455
Product Net Imports					
LPG	108	133	164	-25	-56
Naphtha	0	0	0	0	-0
Gasoline	6	14	18	-8	-11
Kerosene	31	39	71	-8	-40
Diesel	6	8	21	-2	-15
RFO	129	105	174	24	-45
Other Products	1	0	5	1	-3
Total Products	282	299	453	-17	-171

Source: Indian Ministry of Commerce and Indian Port Authorities
* There were no crude and product exports in March 2000

Indian refinery throughputs remained at a record-high in March, averaging 2.07 mb/d, with utilisation at Reliance's Jamnagar refinery holding steady at about 75%. Net imports of crude and products in March fell below 1 mb/d for the first time since July 1997. The bulk of the decline was in crude imports, which decreased by more than 200 kb/d as inventory-building for newly-commissioned refineries wound down. Crude imports from Nigeria fell to 177 kb/d from 326 kb/d in the previous month, while those from the UAE decreased to 75 kb/d from 124 kb/d. With domestic refinery runs high, product imports remained low at 280 kb/d.

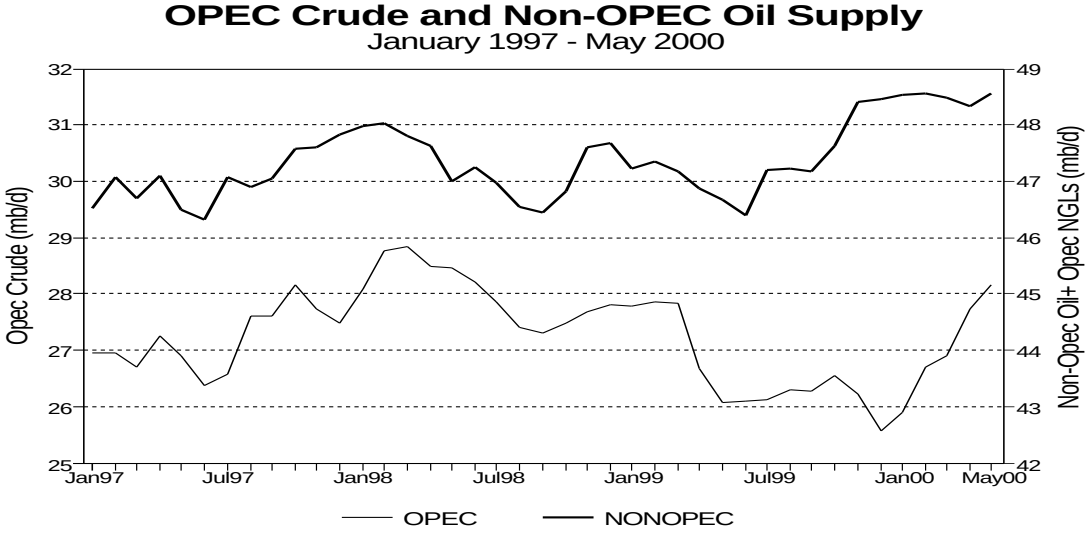
Other Non-OECD

The assessments of demand in most OECD regions have been reduced to reflect what is assumed to be price-related demand weakness. The figure for oil demand in non-OECD Europe has been reduced 20 kb/d to 760 kb/d, or flat with 1999, to reflect weakness in the first quarter; the revised projection incorporates official Romanian figures through February. Projected demand in "other Asia" including India has been reduced 50 kb/d to incorporate the Indian results discussed above, as well as statistics for Thailand through March. Latin American oil demand has been reduced an average 30 kb/d to include figures for demand in Brazil and Argentina through March. African demand has been reduced an average 30 kb/d to reflect weak preliminary figures for Egypt.

SUPPLY

Summary

- Preliminary estimates indicate that **world oil production** averaged 76.88 mb/d in May, an increase of 640 kb/d from April. OPEC oil supply gained 440 kb/d, while non-OPEC output grew by 200 kb/d.
- **OPEC** crude supply was up 420 kb/d to 28.16 mb/d in May. Eighty percent of the increase, or 335 kb/d, was due to Iraq, whose exports rose to 2.36 mb/d. Iraqi output during the month averaged 2.98 mb/d, a post-Gulf War high. Combined supply from the other 10 members of OPEC rose by 85 kb/d. Saudi Arabia increased output by 150 kb/d, whereas Nigerian production fell by 75 kb/d, mainly due to a pipeline bombing that reduced the supply of Brass River crude. Output of OPEC NGLs and non-conventional oils was up 20 kb/d.
- **Non-OPEC** oil supply rose to 45.84 mb/d in May. Output from the **OECD** is estimated to have increased by 150 kb/d. North American output was up by 95 kb/d. Canadian production recovered from the previous month's "mud season" and technical problems at the Hibernia field. Mexican supply is assumed to have increased as well, but US output was lower, due to warmer weather and planned maintenance in Alaska. North Sea production was up modestly, as planned maintenance and technical problems had less of an impact than in April. Australian supply recovered from weather-related losses during the previous month.
- **Non-OECD** oil production increased by 50 kb/d in May. Output continued to recover in Vietnam, at the recently-repaired Bach Ho field. There were also gains in Ecuador and Colombia, where Cano Limon supply rebounded from pipeline bombings in April. Production is thought to have fallen in Russia.
- **Net exports** from the **Former Soviet Union** fell unexpectedly in May, declining by 240 kb/d to 3.98 mb/d. Of the decline, 170 kb/d was in crude and 70 kb/d was in products. Producers had less incentive to export crude, as prices for Urals export blend were depressed by oversupply in the Mediterranean market. Domestic farm sector requirements increased due to the planting season.
- The **"call on OPEC crude plus stock change"** for 2000 has been revised downwards by 360 kb/d to 27.4 mb/d. Almost all of the adjustment was due to world demand, which has been lowered by 320 kb/d. The demand revisions were largest in the second quarter but were also significant in the third and fourth quarters.



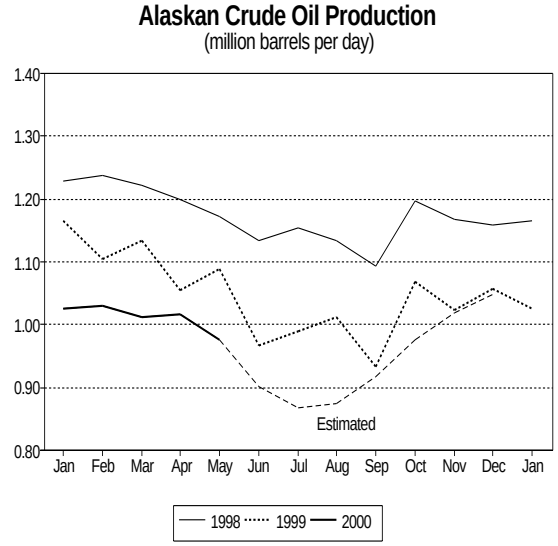
All world oil supply figures for May discussed in this Report are IEA estimates. Estimates for OPEC countries and Alaska are supported by preliminary May crude supply data.

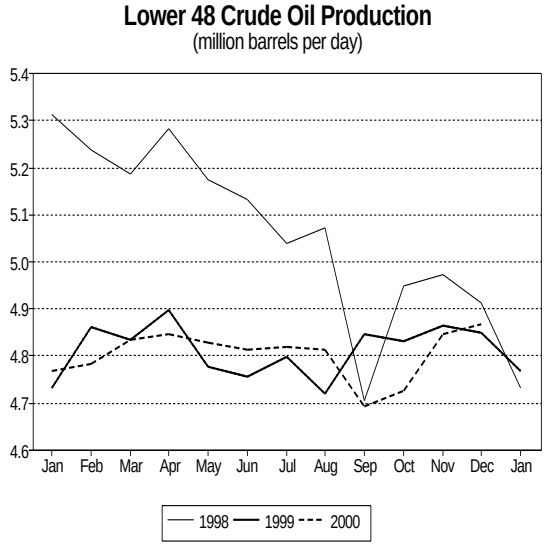
Note: Random events present downside risk to the non-OPEC production estimates contained in this Report. These events can include accidents, unplanned or unannounced maintenance, technical problems, labour strikes, political unrest, guerrilla activity, wars and weather-related supply losses. No contingency allowance for random events is subtracted from the supply projections. Although upside variations can occur, experience in recent years indicates that, roughly speaking, the random events listed above may cause supply losses of perhaps 100-300 kb/d for non-OPEC supply each year.

OECD

North America

US – May – Alaska actual, other estimate: US crude supply is estimated to have decreased by 61 kb/d to 5.80 mb/d in May. In Alaska, crude output fell by 42 kb/d to 975 kb/d. The weather on the North Slope continued to get warmer and, as a result, oil production there moved into its annual summer slump. Planned shutdowns and repairs also affected output from the Kuparuk, Point McIntyre and Prudhoe Bay fields. At Prudhoe, planned maintenance starting on 28 May reduced daily output by around 100 kb/d. The work programme is scheduled to last until 10 June.

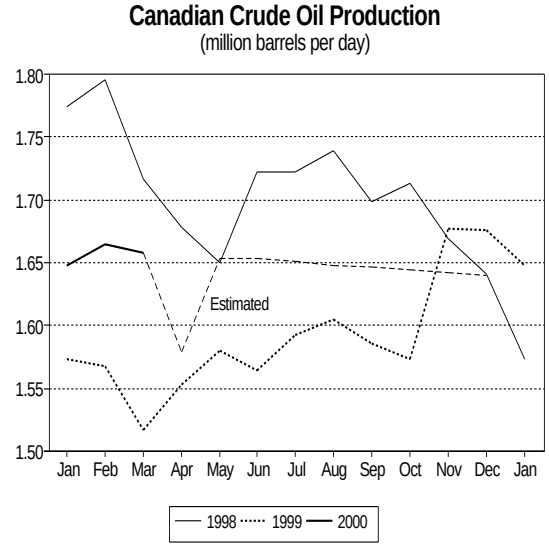


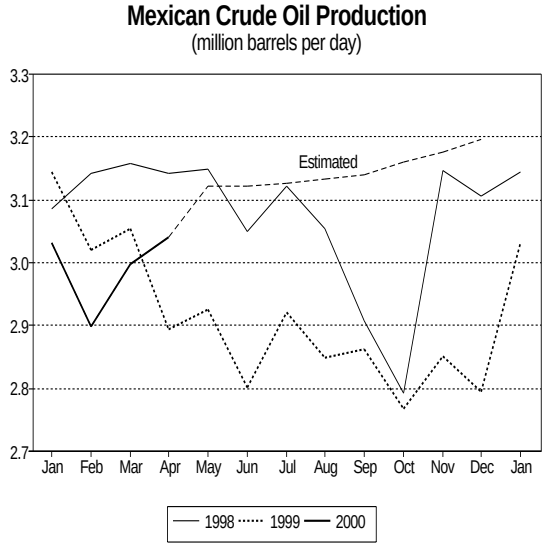


May supply from the Gulf of Mexico was flat at 1.47 mb/d, while production from mature fields in the onshore "Lower 48" states fell by 16 kb/d to 3.36 mb/d. Early in May, the 100 kb/d deepwater Hoover/Diana project came onstream in the Gulf of Mexico. At the Petronius field, a replacement deck of the floating platform was successfully installed on 4 May. The original deck sank during transport in December 1998. The 60 kb/d field is now scheduled to come onstream in October. It was also reported during the month that the 40 kb/d Marlin field would restart later this year. The field started up in November 1999, but shut down only days after first oil and has remained out of commission ever since. There was a major casing failure in the first production well and the operator decided to find the cause of the failure before starting up the remaining four pre-drilled production wells. The cause has now been determined and, after some modifications, the four wells will come onstream in the third or fourth quarter of this year.

Canada – March actual, April and May estimates: March crude production averaged 1.66 mb/d, a decrease of 7 kb/d from the previous month. Output in Alberta and Saskatchewan fell by 4 kb/d and 15 kb/d, but supply from the Atlantic offshore Hibernia field rose by 12 kb/d to 153 kb/d. In April, crude production is estimated to have declined by a further 79 kb/d to 1.58 kb/d. The spring “mud season” in Western Canada, which prevents heavy equipment and oil tank trucks from accessing oil fields via dirt roads, is assumed to have been responsible for most of the drop. Hibernia production is thought to have fallen to 125 kb/d, based on reports of fluctuating output due to gas compression problems. May crude production is assumed to have rebounded to 1.65 mb/d, just under March levels, with output in Western Canada and at Hibernia returning to normal.

March synthetics output fell to 235 kb/d from 327 kb/d during the previous month. The decline was due to planned maintenance at the Syncrude plant. Synthetics supply is estimated to have recovered to 344 kb/d and 347 kb/d in April and May. Production of NGLs is thought to have fallen seasonally, from 690 kb/d in March to 663 kb/d and 653 kb/d in April and May.





Mexico – April actual, May estimate: April crude production increased by 43 kb/d to 3.04 mb/d, with the heavy Maya grade once again providing the increment. As expected, crude exports increased by 150 kb/d, from 1.53 mb/d in March to 1.68 mb/d in April. Almost all the additional exports went to the US Gulf Coast. Maya exports grew by 108 kb/d. Most of these volumes did not go into the spot market, but went instead to Gulf Coast refineries that have term contracts with the state oil company Pemex.

The nitrogen injection project at the Cantarell complex in the Bay of Campeche has been running behind schedule. Injection was planned to begin in mid-April, but had not started by mid-May. Once injection begins, it will take six months for pressure to build up in the reservoir, which will boost production capacity. Cantarell, which produces Maya crude, currently supplies around 1.4 mb/d, with capacity of 1.7 mb/d. Capacity should grow to 1.9 mb/d by mid-2001 and to 2.2 mb/d by 2002, according to Pemex officials.

North Sea

UK – March actual, April and May estimates: March crude supply averaged 2.60 mb/d, a modest increase of 35 kb/d from the previous month. Output from the West of Shetlands fields fell by 21 kb/d, primarily due to lower Schiehallion output, but production from other offshore-loaded fields grew by 50 kb/d, more than offsetting the drop. The largest gainers were the Pierce field, up 28 kb/d, and the Liverpool Bay project, up 12 kb/d. At Pierce, the increase followed ten days of planned downtime in February, when the facilities were debottlenecked to allow higher production.

Crude supply in April and May is estimated to have been fairly steady, averaging 2.61 mb/d and 2.57 mb/d. During April, some maintenance took place, but these losses were offset by a return to normal output West of Shetlands. In addition, there was higher output in the Teal Area, as two new projects came onstream. The largest was the Triton development, which comprises three fields. Bittern started up on 15 April, while the other two, Guillemot West and Guillemot Northwest, produced first oil on 20 April. These fields feed the *Triton* floating production, storage and offloading vessel (FPSO). Output during the first week was reported at 13 kb/d, but this is expected to grow steadily to a plateau of 105 kb/d. Triton's start-up was delayed

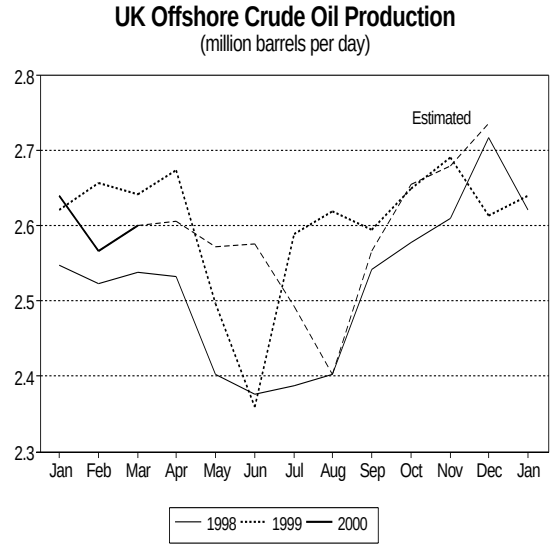
North Sea Oil Production Outlook
May - October 2000
(thousand barrels per day)

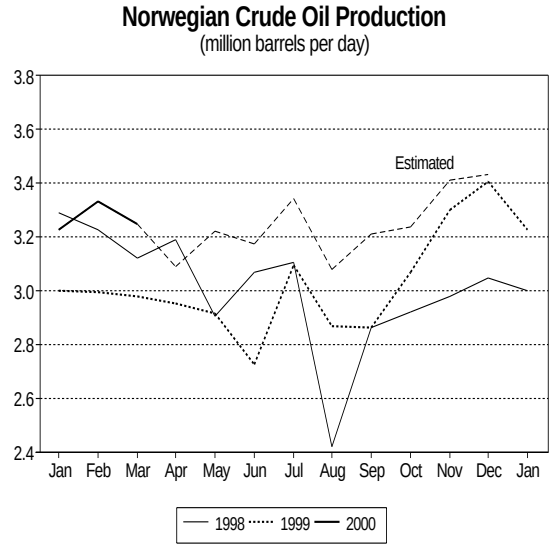
	May	June	July	Aug	Sept	Oct
UK	2817	2791	2678	2589	2781	2881
Norway	3333	3291	3453	3159	3327	3349
Denmark	371	369	367	365	363	366
Other*	42	41	41	41	41	41
Total	6564	6492	6540	6154	6513	6636

* offshore Netherlands and offshore Germany

from the fourth quarter of last year because of bad weather. The smaller project was the Cook field, which came onstream on 21 April, ten weeks ahead of schedule and on budget. Initial production of 10 kb/d is expected to double by next year.

In May, Teal Area output grew, due to increasing production from the new fields, but this was more than offset by planned maintenance, particularly in the Forties System. A 13 kb/d extended well test began on 25 May at the Kyle field. The test is expected to last for more than four months, with output feeding the *Petrojarl I* production vessel. The vessel moved to Kyle from the Blenheim field earlier in May, and the Blenheim field, which has been producing 4 kb/d in recent months, has permanently shut down. Kyle could be fully developed by the end of this year, or early in 2001. It was also announced that the 22 kb/d Erskine field in the Forties System would come back onstream in December. The field has been out of commission since December 1999, when the pipeline linking it to a nearby platform ruptured.





Norway – March actual, April and May estimates: March crude production decreased by 84 kb/d to 3.25 mb/d, due to bad weather. Storms, high winds and high waves prevented tanker loadings and forced production cuts, since storage tanks on platforms and production ships were filled to capacity. Production was reduced at the Statfjord, Snorre, Gullfaks, Heidrun and Aasgard fields.

In April, crude production is estimated to have fallen by a further 157 kb/d to 3.09 mb/d. The sharp drop was caused both by planned maintenance and by technical problems. The Snorre and Vigdis fields were shut down from 17-26 April because of a broken water pump. In addition, the Gullfaks C platform went down for two weeks of maintenance on 14 April. The Tordis field, which is tied back to Gullfaks C, was shut down as well. The Norne field underwent planned maintenance from 7-16 April, to install gas-processing equipment on the field's production vessel.

May crude production is thought to have recovered, increasing by 126 kb/d to 3.22 mb/d. Operations returned to normal at Snorre, Vigdis, Gullfaks and Tordis, with maintenance completed and technical problems repaired. The Draugen and Heidrun fields went down for scheduled maintenance, however, which offset some of the rebound. There were also technical problems at the Njord field, which caused a 10-day shutdown. Although the 3-9 May tugboat workers' strike interrupted roughly 1 mb/d of *exports* from Norway, *production* was not affected. The strike ended before storage capacity at the affected terminals filled up, so fields did not have to be shut in. Apparently, the only lingering effect of the strike is that May maintenance at Statfjord A, Snorre and Vigdis has been deferred until September.

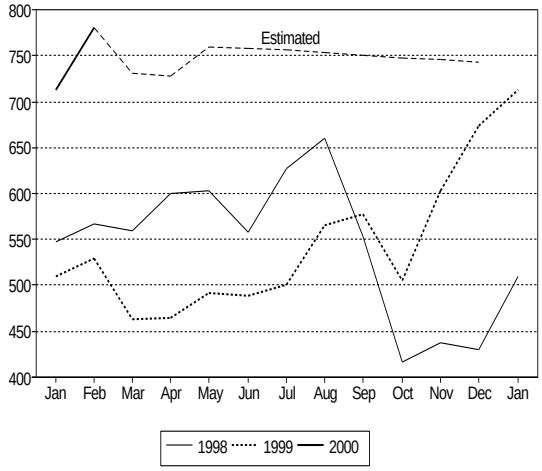
Denmark – April actual, May estimate: Crude output in April climbed slightly to reach another new monthly record of 378 kb/d. The old record of 376 kb/d was set the previous month. Output at the new Halfdan field rose by another 2 kb/d to 22 kb/d, adding to its unexpected gains of the previous month. Changes at other fields cancelled each other out. With no other fields scheduled onstream this year and the 1999-2000 start-ups (Siri, South Arne and Halfdan) at plateau, Danish

output is expected to slowly decline for the remainder of the year, generally at a rate of 1-2 kb/d per month. May production is estimated to have averaged 371 kb/d, with the Dan field not holding its unanticipated 7 kb/d increment in April.

Pacific

Australia – May estimate: Crude output is estimated to have averaged 759 kb/d in May, an increase of 31 kb/d over the previous month, as fields recovered from cyclones. In April, weather-related shutdowns reduced output by 25 kb/d at the 125 kb/d Wanaea/Cossack development in the Carnarvon Basin. In addition, output from the 200 kb/d Gippsland Basin was reduced by 12 kb/d, as eight of the sixteen platforms in the Bass Straits were shut down for three days during the middle of the month due to bad weather. There were no reports of cyclones or technical problems in May and operations were assumed to have returned to normal. Output in the third and fourth quarters of this year is projected to be 753 kb/d and 746 kb/d. An annual average of 747 kb/d is expected, for growth of 216 kb/d versus last year.

Australian Crude Oil Production
(thousand barrels per day)

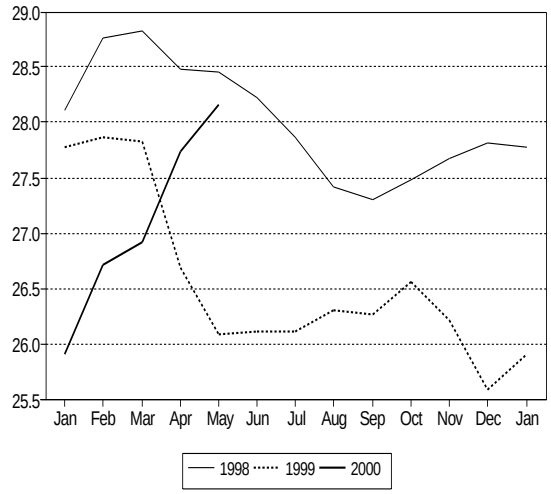


OPEC

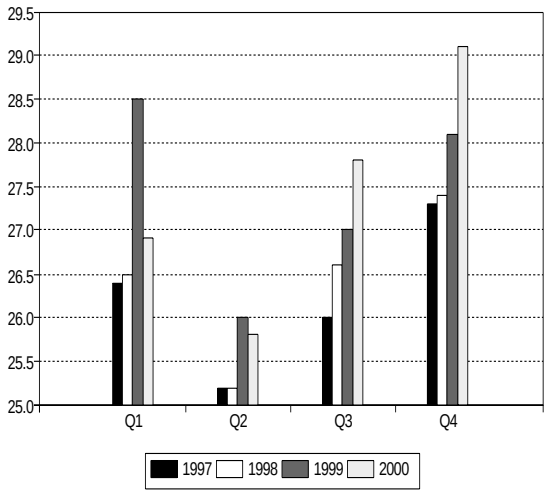
Preliminary estimates indicate that May OPEC crude supply gained 420 kb/d to 28.16 mb/d. Of the increase, 335 kb/d was due to Iraq. It was the fifth straight month-to-month increase for OPEC crude output. Since last December's 25.6 mb/d, which was constrained by Iraq's stoppage of exports, OPEC crude supply has risen by 2.6 mb/d. May production by OPEC excluding Iraq averaged 25.18 mb/d, 485 kb/d higher than the current *de facto* target (including Iran) of 24.69 mb/d.

Iraqi crude supply averaged 2.98 mb/d in May, a post-Gulf War record. Exports were 2.36 mb/d for the month. Exports were not only higher, they were more consistent. For the four weeks beginning 29 April, volumes averaged 2.2 mb/d, 2.0 mb/d, 2.8 mb/d and 2.4 mb/d. Domestic use, exports to Jordan and other border trade is estimated to have consumed another 620 kb/d. Phase 7 of the "oil-for-food" programme expires on 8 June and a relatively smooth transition to Phase 8 is expected. However, it is reasonable to assume that, as has been the case in the past, even with a smooth rollover, there will be at least a week or so of reduced exports due to logistics. Lifters of Iraqi crude need to charter tankers and they usually do so only after the UN has officially approved the rollover. This time around, the natural risk avoidance of lifters is being reinforced by high tanker rates, which would make delays in lifting very costly.

OPEC Crude Oil Production
(million barrels per day)



Quarterly Call on OPEC Crude + Stock Change
(million barrels per day)



Crude production from the other OPEC members rose by an aggregate 85 kb/d in May. Output from **Saudi Arabia** (excluding the Neutral Zone but including the Abu Safah field, produced on behalf of Bahrain) rose by another 150 kb/d, following the 175 kb/d increase seen in April. Supply from **Kuwait** (+25 kb/d), **Venezuela** (+25 kb/d) and **Indonesia** (+20 kb/d) also rose. On the down side, production in **Nigeria** fell by 75 kb/d, due mainly to a pipeline bombing that caused 100 kb/d of Brass River crude production to be shut in from 13 May. Supply also fell in the **Neutral Zone** (-40 kb/d) and in the **UAE** (-35 kb/d). Despite the decrease, UAE production remained quite high, at 2.32 mb/d, the second straight month over 2.3 mb/d. This compares to estimated UAE production capacity of 2.5 mb/d. Output from the Murban field has been between 1.1-1.2 mb/d since April.

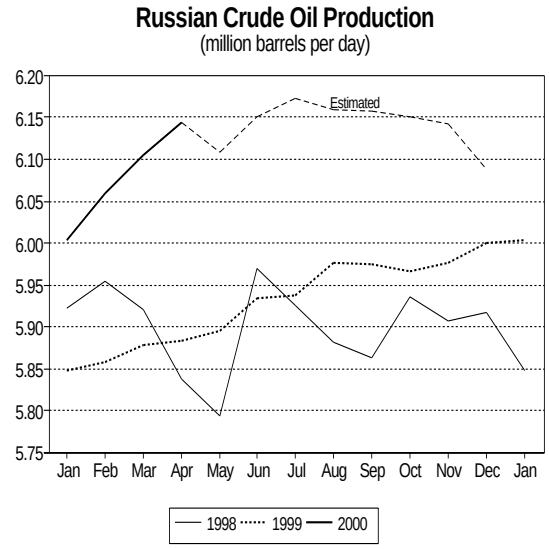
On 30 May, the OPEC Secretariat in Vienna reiterated that the upcoming extraordinary meeting would be held as scheduled on 21 June. One of the member states had previously requested that OPEC postpone the meeting to 26 June.

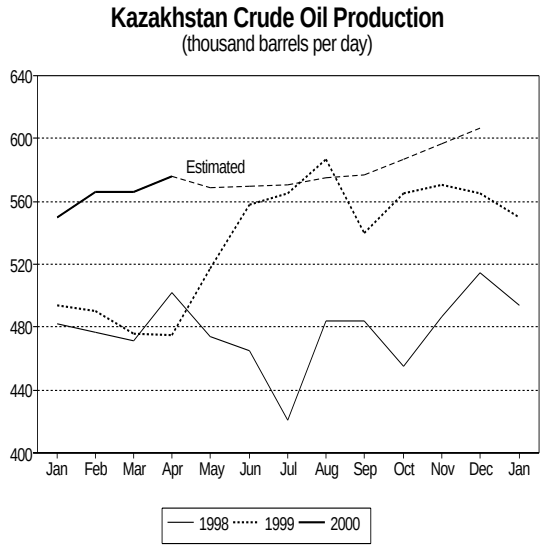
Former Soviet Union (FSU)

Production

Russia – April actual, May estimate: Crude production in Russia averaged 6.15 mb/d in April, an increase of 39 kb/d over the previous month. Output continues on a gradual upward trend, with April the sixth consecutive monthly gain seen since last October's 5.97 mb/d. Unusually, most of the April increment came from one company, Yukos, whose production grew by 25 kb/d. This is not thought to have been sustained in May, when Russian crude supply is estimated to have fallen back to March's 6.11 mb/d.

On 24 May, the Sakhalin-2 project resumed production after a planned six-month winter shutdown due to ice. Initial output of 45 kb/d was reported from eleven wells at the offshore Molikpaq platform. Seven wells were drilled during the winter and three more are planned for this summer. Production of 78 kb/d is targeted for later in the year, the second production season for the project. The first season was a disappointment, caused by poor well performance and a six-week outage due to a small oil spill.





Kazakhstan – April actual, May estimate: Crude production in Kazakhstan averaged 577 kb/d in April, a gain of 11 kb/d over the previous month. Although output from the Tengiz field dropped by 7 kb/d to 193 kb/d, this was more than offset by an 18 kb/d increase in other supply, to 384 kb/d. These unexpected changes are assumed to have been reversed in May, with overall output falling back to 569 kb/d, about the same as in March.

During May, some information regarding the East Kashagan exploration well in Kazakhstan's sector of the Caspian Sea began to emerge. Officials at the Offshore Kazakhstan International Operating Company (OKIOC) said that data obtained during the drilling of the well was very encouraging, but that it was premature to conclude that a major oil discovery had been made. Perhaps the most

important conclusion that can be reached at this point is that the discovery is apparently oil, or oil and gas - but not gas alone.

The first well successfully reached its target depth of 4500 meters, but in late May, OKIOC asked Kazakh authorities for permission to drill down another 500 meters, in order to gather more data. The well will be tested after drilling deeper and results will not be made public until August. If any reserve estimates are made at that point, they would still be preliminary, since they would be based on only one well. A delineation well at West Kashagan is already planned for later in the year.

In contrast to OKIOC, both the President and Prime Minister of Kazakhstan have made statements about the large size of the find, with other Kazakh sources separately mentioning 6 and 11 billion barrels of recoverable reserves. This would make it comparable to Tengiz, which has 6-9 billion barrels of recoverable reserves. A potentially large find could improve the prospects for the proposed Baku-Ceyhan pipeline, which has suffered from a lack of oil to supplement Azerbaijan's AIOC project. Kazakh officials, however, have made it clear that it would be solely left to OKIOC to choose an export route, in the event that offshore reserves are developed.

Net Exports

Net FSU exports in May decreased unexpectedly by 240 kb/d from the previous month to just below 4 mb/d. The May volumes were also 170 kb/d lower than a year earlier. The bulk of the decline came from crude exports out of the Black Sea. Exports of sour Urals grade were depressed by weak prices resulting from oversupply in the Mediterranean market. Product exports also fell by 70 kb/d. Among products, gasoil exports decreased the most, by 146 kb/d to 424 kb/d, due to weak demand in Northwest Europe, lack of arbitrage opportunities and increased domestic demand for tractor fuel. Fuel oil exports increased modestly by 48 kb/d to 605 kb/d. Overland exports via the Druzhba Pipeline remained almost unchanged at 1.03 mb/d. The figures for FSU exports in 1999 have been revised upwards this month.

1998-2000 Net FSU Exports
(million barrels per day)

	1998	1999[r]	2000[f]	3Q99[r]	4Q99[r]	1Q00	Jan 00	Feb 00	Mar 00	Apr 00[r]	May 00[p]
Black Sea Exports[1]	1.31	1.56		1.60	1.55	1.62	1.57	1.69	1.61	1.87	1.67
Baltic Sea Exports	0.96	1.09		1.13	0.95	1.28	1.12	1.17	1.55	1.33	1.27
Total Seaborne	**2.27**	**2.66**		**2.74**	**2.50**	**2.90**	**2.68**	**2.86**	**3.16**	**3.20**	**2.94**
Druzhba Pipeline[2]	0.99	1.02		1.01	1.11	1.02	1.01	1.03	1.03	1.00	1.03
Other	0.03	0.06		0.07	0.06	0.07	0.05	0.08	0.07	0.09	0.07
Total Exports	**3.30**	**3.73**		**3.82**	**3.67**	**3.99**	**3.75**	**3.97**	**4.26**	**4.29**	**4.04**
Imports	0.08	0.03		0.05	0.06	0.05	0.05	0.05	0.06	0.06	0.06
Net FSU Exports	**3.22**	**3.70**	**4.02**	**3.77**	**3.61**	**3.94**	**3.70**	**3.92**	**4.20**	**4.22**	**3.98**
NB: Crude	2.44	2.71		2.70	2.77	2.91	2.79	2.97	2.96	3.06	2.89
Products	0.78	0.99		1.07	0.84	1.03	0.90	0.94	1.24	1.16	1.09

1 includes a small amount of non-Russian crude oil exports
r revised
f forecast
2 crude oil only
p preliminary

The Russian Ministry of Fuel and Energy is about to be reorganised, as President Vladimir Putin appointed a new Minister, Alexander Gavrin, and signed a decree to transform it into the "Ministry of Energy." Any changes in the Ministry of Energy's role or responsibilities are not clear yet. Importantly, the former Minister of Fuel and Energy, Viktor Kalyuzhny, had promoted the export quota system as a means of securing domestic supplies. The quota system may now receive less emphasis.

Russian Oil Production: Outlook to 2010

An IEA team visited Moscow last week to make presentations at a Seminar on International Oil Markets, co-hosted by the IEA and the Ministry of Fuel and Energy of the Russian Federation. Valuable meetings were also held with Russian oil companies, Western oil companies, the government and bankers. Information gathered during these meetings confirmed and strengthened the previously held view that Russian production is in the early stages of a sustained upswing.

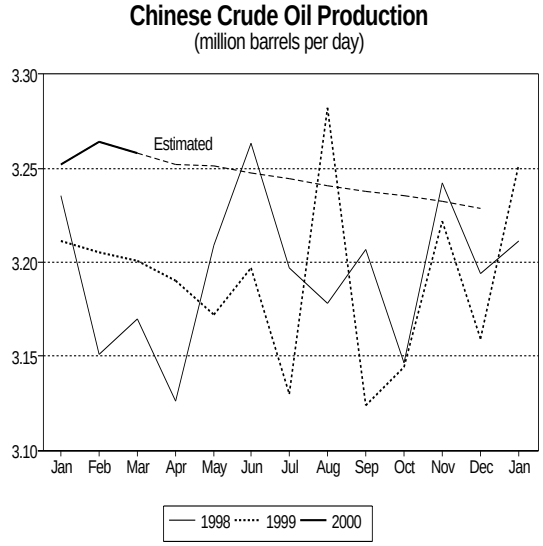
From a low point of 6.0 mb/d in 1996, Russian oil production is expected to average 6.4 mb/d this year. It is projected to reach 6.8 mb/d in 2005 and 7.3 mb/d in 2010. The growth since the 1998 rouble devaluation has been led by a resurgence in upstream spending. Production costs have been reduced, and with the recovery in oil prices since 1999, revenues have increased. With these two factors coinciding, upstream profit margins have increased strongly, allowing investment to rebound and development drilling activity to recover in 1999 and 2000. Existing fields have therefore been more intensively exploited, boosting output. Some satellite field extensions of old fields have also been brought onstream. However, without significant new fields coming onstream, production growth from old fields would only last for a few more years before declines in Russian supply resume.

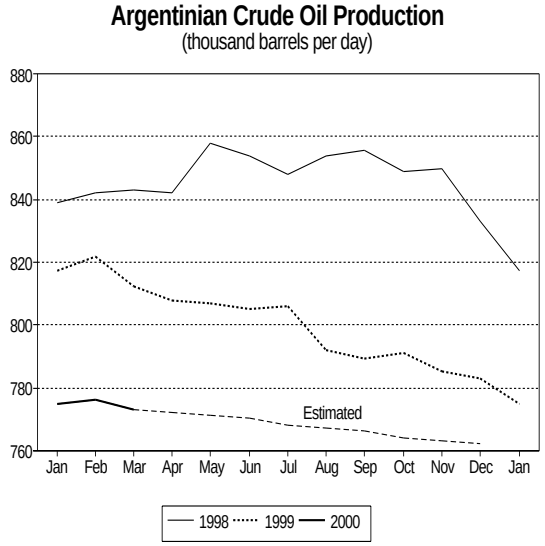
Medium-term projections of roughly 1% per year output growth from 2001-2010 assume that production from new fields, including the Production Sharing Agreement (PSA) projects, will start to become more and more significant, and will more than offset declines from old fields. Russian companies, in addition to the Western companies, now generally support the PSA law. Even though Russian companies may provide the majority of the investment, they will need financial participation from Western companies. Further assumptions that underlie the projections include the following: the "normative acts" needed to implement the PSA law are completed; the tax code is completed and passed; and private pipeline ownership is allowed (that is, ownership other than Transneft, the current pipeline monopoly). The latter is particularly important to projects in the Timan-Pechora region and elsewhere in the Russian interior, where export access is an issue.

Other Non-OPEC

China – March actual, April and May estimates: Chinese crude production in March was unchanged at 3.26 mb/d, with widely distributed small changes offsetting each other. Offshore production averaged 380 kb/d, in line with January's 377 kb/d and February's 384 kb/d. For unknown reasons, supply from the offshore sector had swung wildly in the second half of 1999, between a low of 242 kb/d and a high of 404 kb/d. However, it has steadied this year. Chinese output is estimated to have fallen slightly to 3.25 mb/d in both April and May.

Completions of onshore *production* wells were down in 1999. CNPC, which produces around 75% of onshore production, completed 6679 production wells last year, 13% lower than in 1998. Sinopec, which is responsible for the remaining onshore supply, completed 1317 wells, a decrease of 12%. The declines probably reflected reduced budgets, although the maturity of the onshore sector may also have been a factor. The picture regarding completions of onshore *exploration* wells is not as clear cut. CNPC completed 625 exploration wells, down 4%, but Sinopec completed 311, a gain of 8%.





Argentina – March actual, April and May estimates: Argentinian crude output averaged 773 kb/d in March, down 3 kb/d from the previous month. First quarter 2000 production of 775 kb/d was down from 787 kb/d in the fourth quarter of 1999 and compares to 817 kb/d during the first quarter of 1999. The main Medanito grade is produced in the mature Neuquen province, where some fields date from the early 1900s. Output there and elsewhere in Argentina has suffered from declining levels of upstream investment following the low price period experienced from late 1997 through early 1999. As a result, Argentinian crude output declined at a rate of 5% in 1999 and has continued to drop at the same rate early this year. Supply is estimated to have fallen to 772 kb/d in April and 771 kb/d in May.

Upstream Industry Developments

Strong prices for both oil and natural gas are causing companies to increase their exploration and production spending. Although firms are also using high cash flows to pay off debt, to engage in stock buyback programmes and for mergers/acquisitions, a mid-year survey of 326 companies by the Lehman Brothers investment bank indicated that worldwide upstream expenditures on oil and gas this year would be 18.2% higher than in 1999. At the end of last year, a similar Lehman survey showed an anticipated spending gain of 10.2% in 2000. The larger growth is due to increases in 2000 budgets, rather than underspending of 1999 budgets.

The Government of Kazakhstan approved the sale of Kazakoil's 5% stake in Tengizchevroil to Chevron at a reported price of $450 million. The Tengizchevroil joint venture was formed by Kazakhstan and Chevron in April 1993, to develop and operate the Tengiz field for a 40-year period. The sale was originally announced last August to help cover the nation's budget deficit. However, the sale plan lost its urgency as the economy improved and opposition to the sale within the country developed. The Tengiz field holds 6-9 billion barrels of recoverable reserves and is currently producing at around 200 kb/d. Following the sale, Chevron will own a 50% interest; ExxonMobil 25%; Kazakhstan's state-owned Kazakoil 20% and Lukarco, a joint venture between Lukoil and Arco (now BP Amoco), 5% .

Devon Energy and Santa Fe Snyder agreed to merge in May to form the fifth largest US independent producer in terms of market capitalisation, with reserves of 1.1 billion barrels of oil equivalent. The merged company will be named Devon Energy and will be headquartered in Oklahoma City. Santa Fe Snyder shareholders will receive 0.22 Devon shares for each Santa Fe Snyder share and, as a result, will own 32% of the combined company. Santa Fe Snyder was created in May 1999 through the merger between Santa Fe Energy and Snyder Oil. Devon Energy acquired PennzEnergy in the same month.

Revisions

Net revisions this month were modest, with changes mostly offsetting each other. Non-OPEC supply in 1999 was unchanged at 44.64 mb/d, while projected non-OPEC supply for 2000 has been revised upwards by 30 kb/d to 45.93 mb/d. The resulting year-on-year growth now stands at 1.28 mb/d, up from 1.26 mb/d in last month's Report. The revisions for 2000 discussed below are mostly based on the receipt of historical statistics and recent actual performance.

Revisions to Non-OPEC Oil Supply

(million barrels per day)

	last month's OMR			this month's OMR			this month vs. last month		
	1999	2000	00 vs. 99	1999	2000	00 vs. 99	1999	2000	00 vs. 99
North America	13.99	14.29	0.30	13.99	14.29	0.30	0.00	-0.00	-0.00
Europe	6.75	7.04	0.29	6.75	7.01	0.26	0.00	-0.03	-0.03
Pacific	0.67	0.89	0.22	0.67	0.89	0.22	0.00	0.00	0.00
Total OECD	**21.41**	**22.22**	**0.81**	**21.41**	**22.19**	**0.78**	**0.00**	**-0.03**	**-0.03**
Former USSR	7.49	7.68	0.19	7.49	7.78	0.28	0.00	0.09	0.09
Europe	0.19	0.18	-0.00	0.19	0.18	-0.01	0.00	-0.00	-0.00
China	3.19	3.24	0.05	3.19	3.25	0.06	0.00	0.01	0.01
Other Asia	2.25	2.20	-0.05	2.22	2.15	-0.07	-0.02	-0.05	-0.02
Latin America	3.78	3.77	-0.00	3.78	3.75	-0.03	0.00	-0.02	-0.03
Middle East	1.89	1.94	0.05	1.89	1.94	0.05	-0.00	0.00	0.00
Africa	2.78	2.95	0.16	2.81	2.98	0.17	0.02	0.03	0.00
Total Non-OECD	**21.56**	**21.96**	**0.40**	**21.57**	**22.03**	**0.46**	**0.00**	**0.06**	**0.06**
Processing Gains	1.66	1.72	0.05	1.66	1.72	0.05	0.00	0.00	0.00
Total Non-OPEC	**44.64**	**45.90**	**1.26**	**44.64**	**45.93**	**1.28**	**0.00**	**0.03**	**0.03**

OMR = Oil Market Report

Non-OECD: The largest change this month was in the FSU, where Russian production has been raised, based on strong recent performance and growing confidence about the durability of slow but steady production growth. African production has also been increased in both 1999 and 2000, in Congo-Brazzaville and in South Africa, due to the receipt of historical statistics. In contrast, "Other Asian" supply has been lowered, primarily in Brunei, based on historical statistics that show a declining trend. Latin American output has also been reduced, due to recent performance in Colombia and Ecuador.

OECD: The only noticeable adjustment this month was in Norway, where output has been revised downward based on recent actual performance at some fields and also to delays in the assumed start-up of the 25 kb/d Yme Beta West field and the 20 kb/d Borg field.

OECD STOCKS

Industry Stock Changes in April 2000

OECD industry stocks rebuilt strongly in April. Increased OPEC production and seasonally weakening demand allowed a 1.75 million b/d gain in inventories. OPEC production increases in advance of its late-March meeting also have now appeared in upwardly-revised March figures. With increased crude availability, there was a rise in crude runs in all three OECD regions in April, although reduced local supplies in Europe resulted in a significant drop in European crude oil stocks. Elsewhere, crude and total product inventories both increased, but there were small declines in critical US gasoline and heating oil stocks, where stocks were already well below normal.

Estimated global supply and demand balances for the first and second quarters have loosened further. Although the first quarter global draw has been raised slightly, to 440 kb/d from 390 kb/d, the projected second quarter build has been raised substantially, from 1.2 mb/d to 2.2 mb/d. Oil-in-transit and floating storage have also been increasing, by a combined 60 kb/d in the first quarter and by about the same amount in the first half of the current quarter.

Preliminary Industry Stock Change in April and Revised First Quarter 2000
(million barrels per day)

	April (preliminary)				*First Quarter (revised)*			
	North America	Europe	Pacific	Total	North America	Europe	Pacific	Total
Crude Oil	**+0.42**	**-0.51**	**+0.40**	**+0.31**	**+0.13**	**+0.11**	**-0.03**	**+0.21**
Gasoline	-0.07	+0.12	+0.05	+0.10	+0.14	+0.01	+0.02	+0.17
Distillates	-0.04	+0.18	+0.24	+0.37	-0.32	-0.05	-0.25	-0.62
Fuel Oil	+0.01	+0.09	+0.05	+0.15	-0.01	-0.03	+0.01	-0.03
Other Products	+0.52	+0.04	+0.11	+0.66	-0.12	+0.02	-0.08	-0.18
Total Products	**+0.41**	**+0.43**	**+0.44**	**+1.29**	**-0.30**	**-0.05**	**-0.30**	**-0.65**
Other Oils[1]	+0.03	-0.03	+0.16	+0.16	+0.03	+0.05	+0.01	+0.10
Total Oil	**+0.86**	**-0.10**	**+1.00**	**+1.75**	**-0.14**	**+0.12**	**-0.31**	**-0.34**

1 includes feedstocks, NGLs and other hydrocarbons

OECD industry stock changes in April were remarkably similar for product stocks, rising by between 410-440 kb/d in each of the three regions. Crude stocks also increased by similar amounts in North America and the Pacific, but declined enough in Europe to offset product stockbuilding. Inventories of "Other Oils" showed small offsetting changes in North America and Europe, while increasing moderately in the Pacific.

Revisions vs. 11 May 2000 Report
(million barrels)

	North America		*Europe*		*Pacific*	
	Feb	Mar	Feb	Mar	Feb	Mar
Crude Oil	0.0	+3.3	-1.3	0.0	0.0	+7.3
Oil Products	0.0	+2.9	+0.7	-2.4	-0.1	-2.5
Other Oils	0.0	-0.4	+1.0	+3.2	0.0	+0.6
Total	0.0	+5.8	+0.4	+0.8	-0.1	+5.4

Effect on March Stock Change
(million barrels per day

North America	*Europe*	*Pacific*	*Total*
+0.11	+0.04	+0.23	+0.38
+0.09	-0.10	-0.08	-0.09
-0.01	+0.08	+0.02	+0.09
+0.19	+0.01	+0.18	+0.38

Total OECD industry stocks have been revised upwards by 12 million barrels for March, with the vast majority of the revision in crude oil (+10.7 mb), more than half in the Pacific region. Although total products stocks were revised downwards by only 2.1 mb, distillates/gasoil stocks were lowered by more than 10 mb, largely in the US where stocks were already quite low. With the revisions, the March draw was reduced from just over a million b/d to 660 kb/d. Downward adjustments in products offset an upward change to other oils, so that the total revision was all reflected in crude oil stocks. Revisions to earlier months were relatively small, +0.2 mb for February, +1.4 mb for January and +1.9 mb for December. With these revisions, the estimated OECD industry stock draw in the first quarter is 340 kb/d, compared with 450 kb/d shown in last month's Report.

Preliminary Stock Levels at the End of April

OECD industry stocks at the end of April were 2.49 billion barrels. April 2000 stocks were 210 million barrels below those at the end of April 1999, and 204 million lower than the same month in 1998. Most of the crude stock shortfall was in Europe, while product stocks were lower primarily in North America. North American gasoline stocks were 27 mb below a year earlier and distillates were 38 mb lower. Other product stocks were down 21 mb year-on-year. Distillate (gasoil) inventories in Europe trailed 1999 by 28 mb.

Year-on-Year End of April Industry Stock Comparisons
(million barrels)

	North America	Europe	Pacific	Total
Crude Oil	-27	-69	+8	-87
Products	-85	-26	-2	-113
Other Oils[1]	-12	+4	-1	-10
Total Oil	**-124**	**-91**	**+5**	**-210**
versus 1998	*-124*	*-62*	*-18*	*-204*
versus 1997	*-12*	*-15*	*-51*	*-78*

[1] includes feedstocks, NGLs and other hydrocarbons

Regional Stock Developments

The regional mix of stock changes in April was sharply different from previous months. The US and Japan saw relatively large stockbuilds of both crude and products, whereas in Europe, a large draw in crude stocks more than offset increases in product inventories.

Stocks in the OECD Pacific rose by an unprecedented 1 million b/d in April, as demand weakened seasonally while imports continued at relatively high rates. **Japanese** stocks increased by 873 kb/d with both crude and product stocks rising strongly. Sales of petroleum products fell by 450 kb/d, much more than the decline in refinery production (-275 kb/d) and product imports (-137 kb/d). This left product stocks 410 kb/d lower than in March. Gasoline stocks (+310 kb/d) and gasoil stocks (+217 kb/d) were sharply higher, while "other product" stocks fell by 117 kb/d. Lower crude runs and a decline in direct crude use, to an annual low of 78 kb/d, resulted in a build of 303 kb/d in Japanese crude oil inventories. The stock build in **Korea** was much smaller. Crude inventories grew by 93 kb/d and product stocks by 33 kb/d, mostly in higher fuel oil stocks.

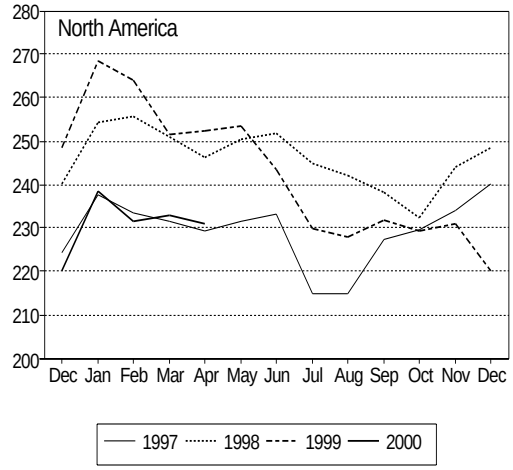
US crude oil imports and refinery runs both rose over the last two months. Weekly data indicate that crude imports exceeded 9 mb/d in April and May and that crude runs were 15.1 mb/d in April and 15.4 mb/d in May. With domestic crude production flat-to-down seasonally, crude stocks built in April, by 383 kb/d, but were little changed in the first 26 days of May. The increased product output and high product imports, of around 2 mb/d, were not sufficient to allow necessary restocking of gasoline and distillate imports. Most of the reported product stock build was in "other products", which are estimated by formula.

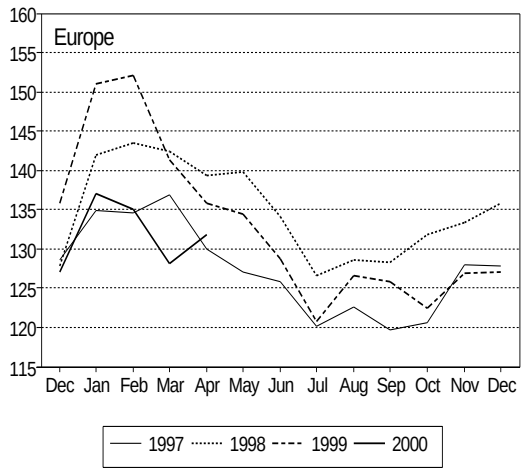
In contrast to the other two OECD regions, Europe's crude oil stocks were taken sharply lower in April. Reduced North Sea production and increased exports to the US lowered local supply at the same time as refinery runs were increasing, following heavy first quarter maintenance. **German** crude stocks fell by 197 kb/d, and **UK** crude and other refinery inputs were off 103 kb/d. There were also crude stock draws in a number of the smaller European countries: **Ireland** (-70 kb/d), **Greece** (-63 kb/d), **Finland** (-60 kb/d), **Denmark** (-43 kb/d) and **Belgium** (-37 kb/d). The related higher refinery output resulted in product stock builds that offset all of the UK crude stock draw and 90% of the Germany draw. Crude imports held crude stocks steady in the **Netherlands** and **Italy**, where product stocks rose by 60 kb/d and 40 kb/d. There were smaller product stock builds in **Norway**, **Spain** and **Portugal**. In **France**, crude inventories were unchanged, but strong demand lowered product stocks slightly.

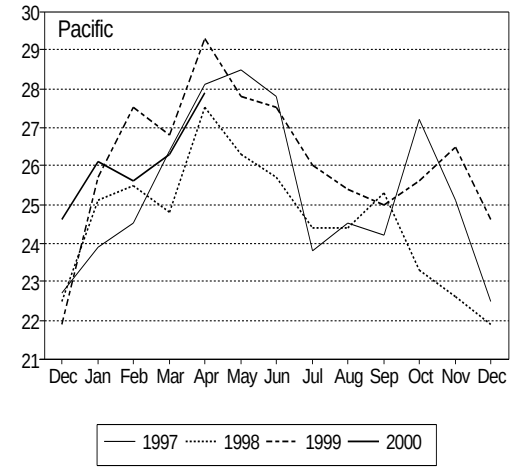
Regional OECD Industry End-Month Stocks: Gasoline and Middle Distillates

(million barrels)

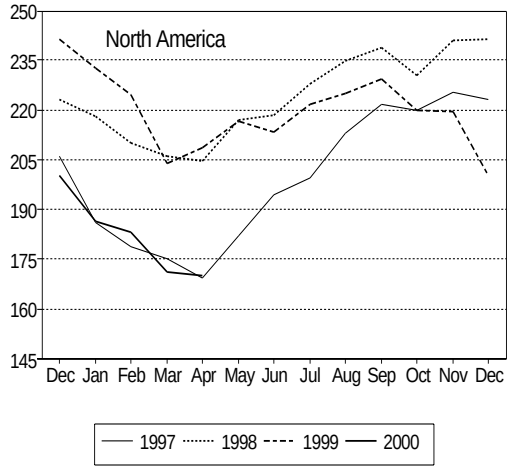
Gasoline

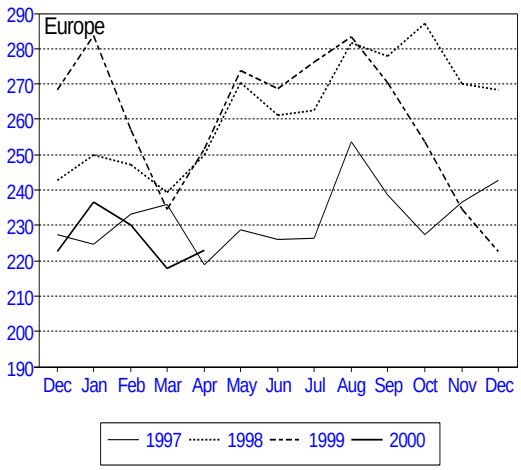


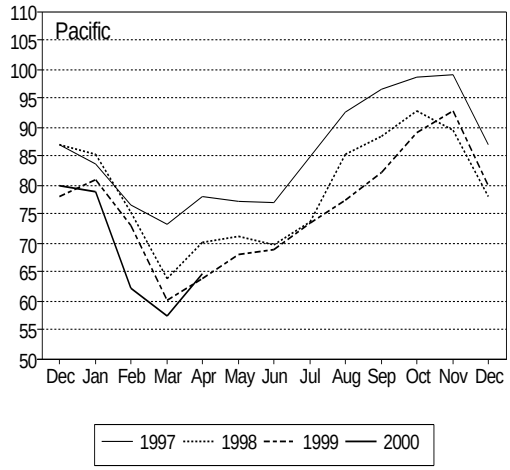




Middle Distillates







OIL PRICES AND REFINERY ACTIVITY

Summary

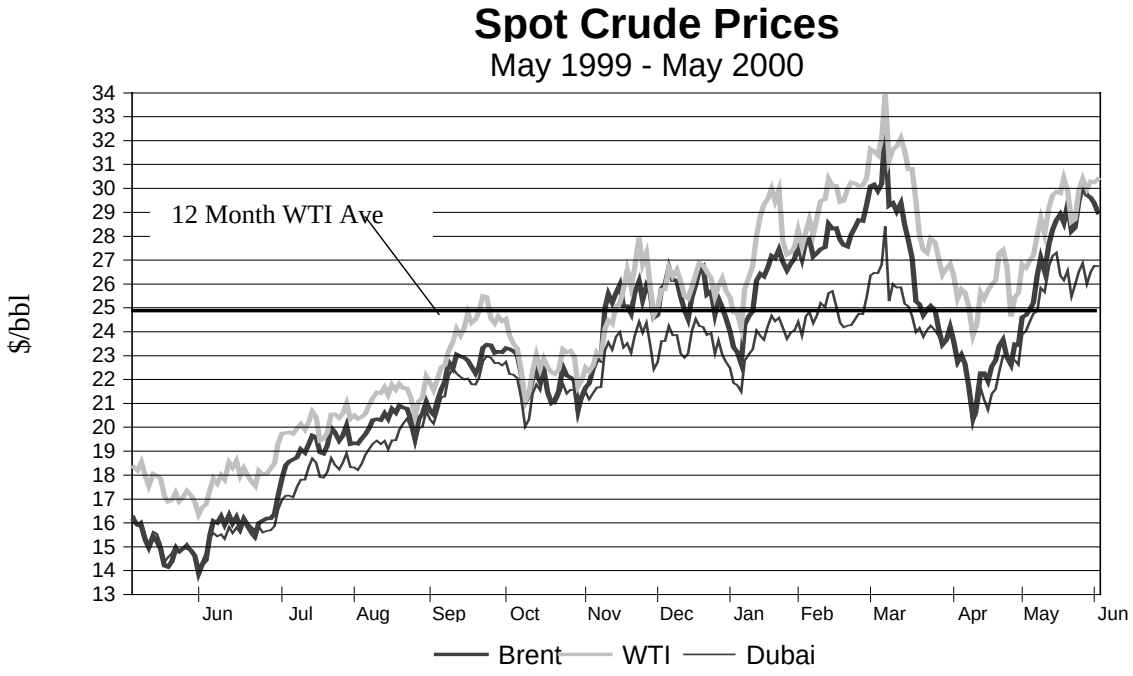
- **Crude oil prices** drifted higher in May, testing the upper limit of OPEC's target range. Prices rose despite an increase in crude oil stocks. External factors, in particular those acting on product markets, are driving crude oil prices.

- **Futures markets** were active, as speculators increased their net long positions. Non-commercial interests are net long by some 38,000 contracts, reversing last month's trend. This constitutes a major increase in NYMEX paper demand, and adds momentum to the market.

- **Spot product prices,** while rising, generally lagged behind increases in crude oil prices over the month. This undermined refinery margins. Increased seasonal demand for gasoline, low product inventory levels, reduced imports from Europe and uncertainty surrounding the availability of new "environmentally-friendly" gasoline supported prices.

- **Refinery margins** collapsed in May across most refining centres. Margins were undermined by the disconnect between prices in the crude oil and product markets. Low product inventories and peak gasoline demand heading into the North American driving season supported US margins.

- **Refinery throughputs** increased in April following seasonal patterns. Aggregate OECD throughputs rose by 2% primarily due to increased gasoline demand in North America and the return of European refiners from scheduled maintenance. Declining margins and the start of the Asian refinery turn-around season should contribute to an overall reduction in May throughputs.



Crude Oil Prices and CIF Import Costs

Crude oil prices are volatile. The last three months have witnessed prices falling by $10 per barrel, then rising by $7. Daily price swings in excess of $1 have been common. OPEC released more supply in the aftermath of the March Vienna Agreement and, with seasonally falling demand, crude stocks built, albeit from low levels. Nonetheless, crude oil prices have risen. Some of this increase can be attributed to increased speculative activity, fed by different expectations of crude supply under the producers' new regime; and reinforced by tight product markets and inventories, particularly for gasoline and then heating oil.

The 20-day average of the OPEC Basket, as reported by the OPEC Secretariat, stood at $27.98 per barrel as of 6 June. Should daily prices hold at current levels, then the upper limit of the $22 to $28 per barrel price band will have been breached well in advance of OPEC's scheduled June meeting. Analysts are watching with keen interest, and producers' actions, or inactions, can be expected to affect markets accordingly.

Spot Crude Oil Prices and Differentials

(monthly and weekly averages, $/bbl)

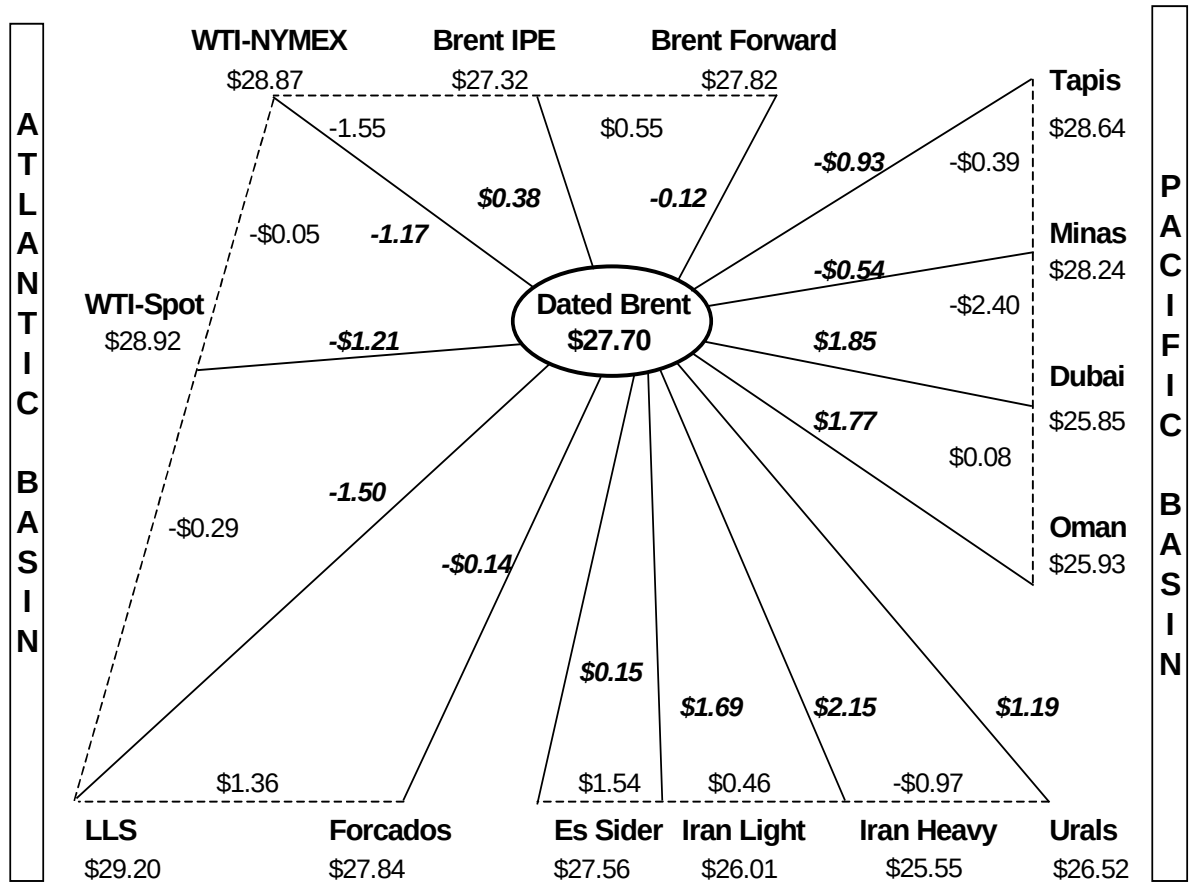
	Mar	Apr	May	*Change*	Week Ending: 28 Apr	05 May	12 May	19 May	26 May	02 Jun
WTI	29.78	25.69	28.92	3.22	25.62	26.92	28.77	29.99	29.53	30.28
Brent Dated	27.22	22.59	27.70	5.11	23.13	24.86	27.19	28.87	29.17	29.50
Urals (del. Mediterranean)	25.78	21.14	26.52	5.38	21.76	23.80	26.08	27.64	27.89	28.08
Dubai	25.08	22.06	25.85	3.79	22.80	24.28	26.06	26.60	26.16	26.64
Tapis	28.48	25.28	28.64	3.35	25.78	26.81	27.97	29.61	29.72	30.00
Brent over Dubai	2.14	0.54	1.85		0.32	0.58	1.13	2.27	3.01	2.85
WTI over Brent	2.56	3.10	1.21		2.49	2.06	1.57	1.12	0.35	0.78
Tapis over Brent	1.25	2.69	0.93		2.65	1.96	0.78	0.73	0.55	0.51
Brent 1st month minus 2nd month	0.34	-0.05	0.41		0.03	0.44	0.36	0.45	0.41	0.40
WTI 1st month minus 2nd month	1.21	0.76	0.26		0.49	0.43	0.24	0.20	0.05	0.91

Crude oil prices rose steadily over the month, with a minor correction at month-end. On a month-on-month basis, European crude oil prices experienced the sharpest gains, over 23%, Asia-based prices grew 16% and North American prices rose by just over 13%. On average, light-sweet crude oil prices performed better than their sour counterparts, as refiners placed a premium on gasoline-rich sweeter grades. In addition, the Vienna Agreement released relatively more sour supply back into the market.

Paper markets moved in similar directions over the month. The West Texas Intermediate (WTI) physical market traded at a slight premium to its paper NYMEX counterpart. The same situation held in the dated-Brent market, although its premium to paper IPE Brent was more pronounced. The physical Brent market was dominated by reduced supply due to scheduled field maintenance, labour and production problems and the now prevalent "squeeze plays" whereby a single trader can control a significant portion of available supply. On a 12-month-average basis, spot prices of most international benchmark crudes are up over 90% against the very low prices of last spring. The 12-month WTI average price is now $24.76, compared to $23.34 for Brent and $21.95 for Dubai.

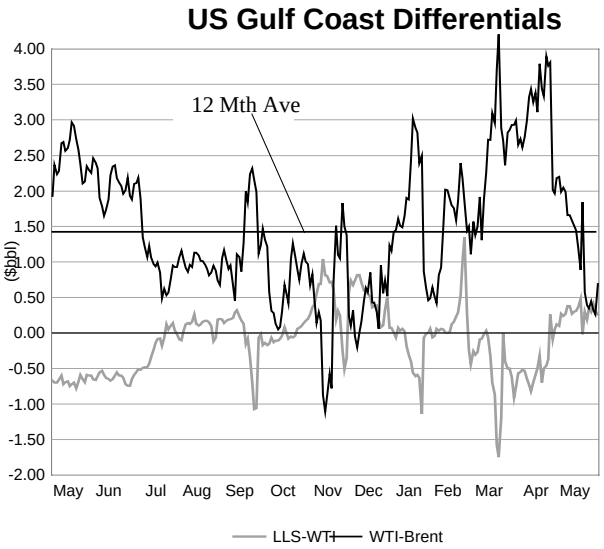
WTI prices weakened against dated-Brent for most of the month. Differentials collapsed at month-end due to reduced Brent supply and increased regional demand as refiners returned from maintenance. Consequently, transatlantic arbitrage declined during the month, with a limited number of cargoes steaming across to North America. Differentials will probably widen from current levels, but will remain narrow, as North America will need to import more crude in order to increase runs to meet peak gasoline demand and replenish depleted stocks. Brent is a gasoline-rich feedstock, and US refiners will probably bid up its price to pull more of it to North America.

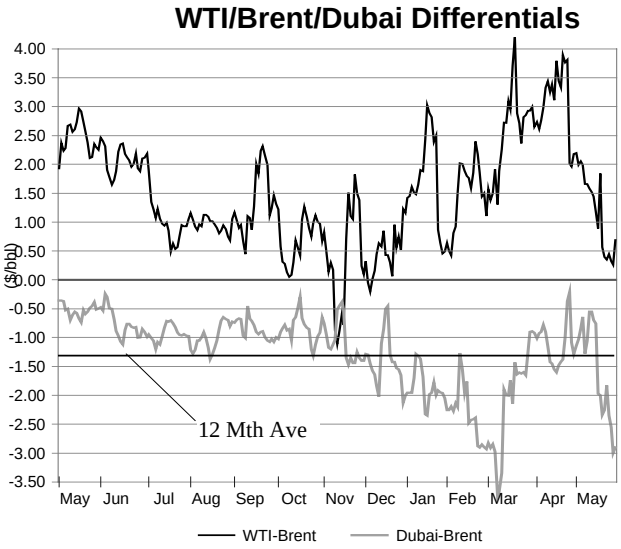
Average Spot, Paper Crude Oil Prices and Differentials - May 2000



US Gulf Coast light-sweet prices gained against their Midcontinent counterparts. The collapse of Brent arbitrage limited the availability of Atlantic basin sweet crudes on the US Gulf Coast. Reduced competition strengthened US Gulf Coast crude vis-à-vis its inland counterparts. Consequently, the WTI-Louisiana Light Sweet (**LLS**) differential narrowed, with LLS trading at a significant premium to WTI. US sweet-sour crude differentials widened, because refiners were prepared to pay a premium for sweet crudes to maximise gasoline production ahead of the summer driving season. This situation was exacerbated with the arrival of short-haul sour Venezuelan and Mexican crude and sour Middle Eastern crudes made available to the market in the aftermath of the OPEC Vienna Agreement. With an increase in sour supply, WTI-West Texas Sour (**WTS**) differentials averaged over $2 for the month of May.

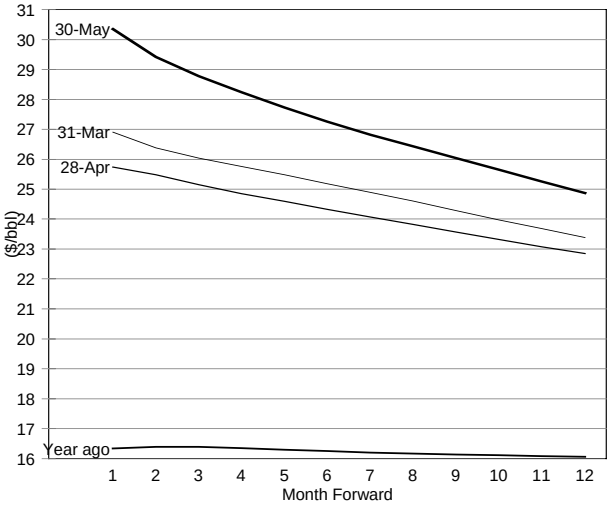
European crude prices came under upward pressure in May. Prices rose due to the combined effect of reduced supply during North Sea field maintenance, production and labour problems and increased demand accompanying an increase in European refinery runs. Higher Iraqi and Russian crude exports and increased OPEC supply placed downward pressure on prices. As in North America, European refiners backed away from sour crude in order to meet tighter product specifications. The combination of increased sour supply and reduced demand had a detrimental impact on Mediterranean regional prices. As a consequence, surplus supply was forced to clear the region, but not before depressing prices and creating arbitrage opportunities.

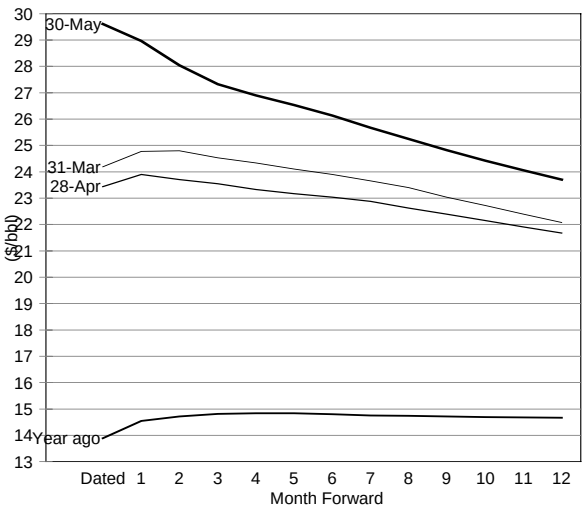




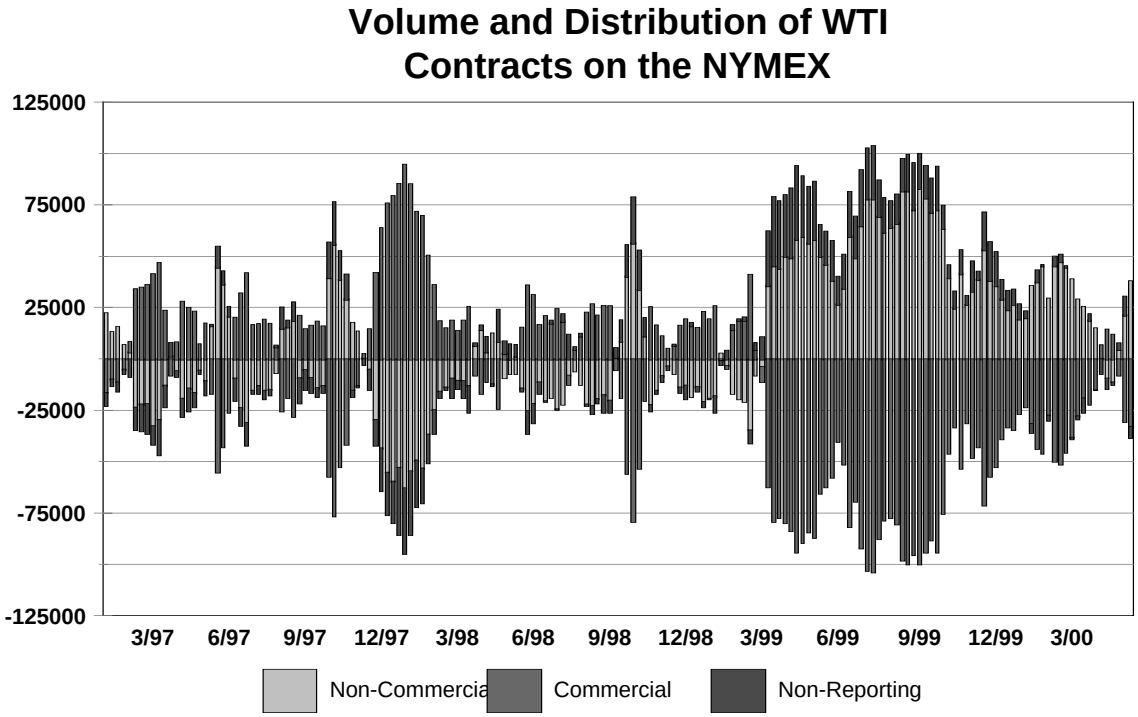
Asian crude oil markets benefited from a narrowing of Dubai-Brent differentials at the beginning of the month, which encouraged Pacific arbitrage. West African crudes were pulled east, which weakened sour prices due to increased regional competition. As Dubai weakened, the differential broadened, undermining arbitrage. Asian refiners, like their counterparts elsewhere, are placing a premium on sweet crudes due to growing concerns about product specifications. This premium works to the advantage of West African crudes, disadvantaging Middle Eastern blends. The situation was exacerbated by a decline in Tapis supply due to production problems. Tapis is a sweet crude which recently experienced production difficulties. Malaysian Tapis and Dulang production could be cut in half over a prolonged period, and this could increase regional sweet-sour differentials even further. Asian refiners are on the cusp of their annual summer maintenance period, which reduces demand for crude, and places downward pressure on crude prices.

The **forward price curves** for WTI NYMEX and IPE Brent, shown in the two graphs above, shifted upwards and into steeper backwardation (a downward sloping forward price curve). These changes correspond to an upward revision in short-term price expectations on the part of industry analysts and growing concern about future stocks and OPEC intentions.





The 30 May WTI and Brent futures price curves stand in stark contrast to the relatively flat forward price curves of a year ago. For both curves, near-month prices are approximately $15 above year-earlier levels. The near-month WTI NYMEX-IPE Brent differential narrowed to just under $1.40 per barrel, reflecting strength in the Brent market. The WTI spot-versus-futures differential favoured "wet" over "paper" barrels by 5 cents, whereas physical Brent traded at a 38 cent premium to paper Brent. Given tightness in the physical market, wet barrels may once again be subject to speculative pressures.



As the graph above indicates, May witnessed a significant turn-around in net long open-interest crude oil positions by non-commercial and non-reporting traders. Non-commercials went from some 11,000 net short open-interest positions at the end of March to 38,000 net long positions in the middle of May. This represents a dramatic increase in paper. One NYMEX contract equates to a future commitment to buy or sell 1,000 barrels of oil. As such, the turn-around in net speculative positions is equivalent to 49 million barrels of crude oil, or approximately 100 Brent-sized cargoes of crude. Speculators are firmly back in the market. Although the market takes direction from, and responds to, fundamentals, speculative activity can add to its momentum.

The preliminary weighted average **CIF crude import costs** to IEA Member countries in March averaged $27.81 per barrel, up 74 cents, or 3%, over February. Prices increased in March for the thirteenth consecutive month. CIF prices in IEA North America and the Pacific rose, but were partially offset by declines in IEA Europe. The Pacific region experienced the largest increase, at 9%, followed by 3% in North America and a decline of 1% in Europe. Average CIF price increases lagged behind corresponding crude oil price increases for the same periods. On a 12-month basis, the Pacific region experienced the largest CIF price increase, at 150%, followed by North America and Europe at just over 130%.

Weighted-Average CIF[1] Crude Import Cost by Area**

$/ bbl

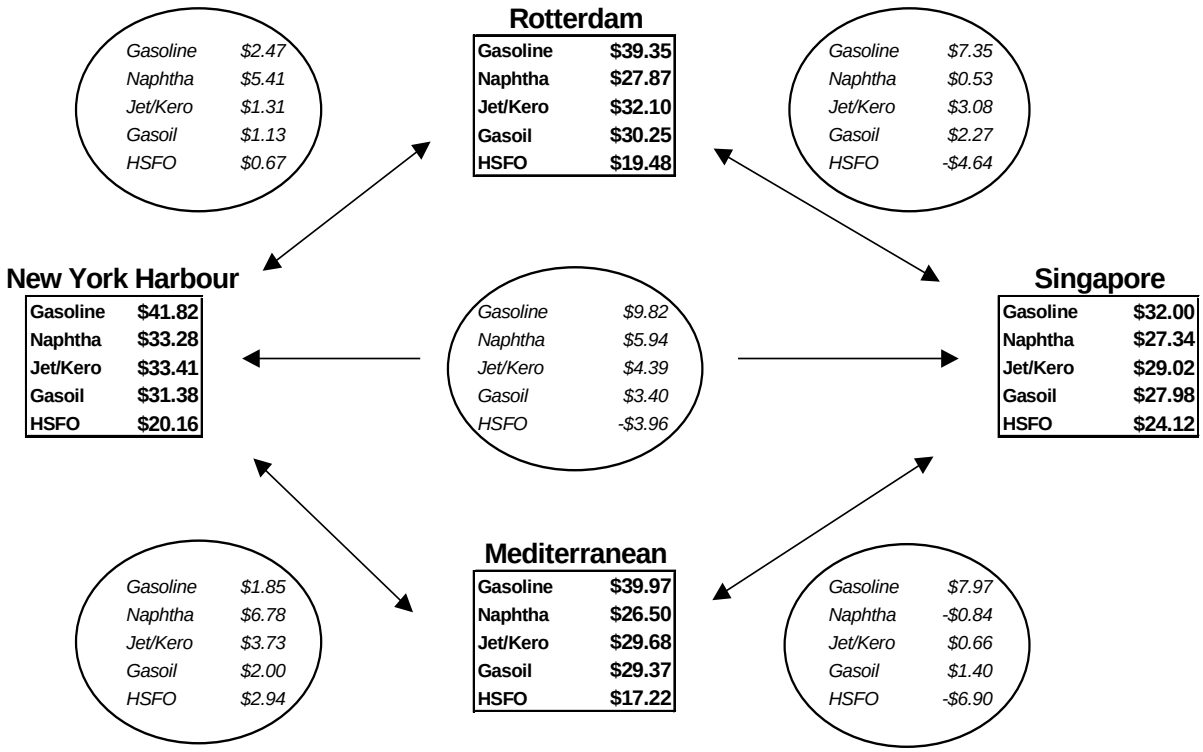
	Total IEA	IEA Europe	IEA North America	IEA Pacific
Oct 99	22.07	21.95	21.62	23.20
Nov 99	23.41	24.04	22.57	23.56
Dec 99	24.88	25.47	24.05	25.29
* Jan 99	25.49	25.73	24.90	25.82
* Feb 00	27.07	27.65	26.83	26.17
* Mar 99	27.81	27.37	27.77	28.50

* estimated
** CIF = cost, insurance and freight

Spot Product Prices in May

Most product prices rose across the board on a month-on-month basis in May. Low inventory levels drove prices ahead of peak summer gasoline and winter heating oil demand. While significant, the gains in product prices were outstripped by underlying crude oil price increases. On a month-on-month basis, average product prices in May rose by less than 8% in comparison to an average increase of nearly 20% in crude oil prices. This reverses the trend experienced in April and has contributed to a sharp reversal in refining margins.

Monthly Average Spot Product Prices and Differentials - May 2000



On average, the price of gasoline and other lighter-end products increased further than those of middle distillates and the heavier parts of the product barrel. This is consistent with low product stocks and increased demand in advance of the summer driving season. **Gasoline** prices in both North America and Europe are extremely strong, as refiners struggle to increase runs to meet demand and replenish stocks. Phase II Reformulated Gasoline (RFG) prices were especially strong in advance of the 1 June 2000 deadline to have this "environmentally-friendly" product available at the retail level. The new product is expected to meet approximately one-third of US summer gasoline demand.

Jet/kerosene and **gasoil** prices were affected by increased product exports from the Middle East and Russia. **High and low sulphur fuel oil** prices showed remarkable resilience in all markets. Unseasonably high natural gas prices, combined with peak utility demand due to extremely warm weather in parts of North America and Europe, contributed to fuel switching and increased fuel oil demand, supporting prices. Monthly product price changes ranged from a decline of $1.64 per barrel for jet/kerosene in the Mediterranean to an increase of almost $10 per barrel for premium unleaded gasoline in New York Harbour.

Spot Product Prices

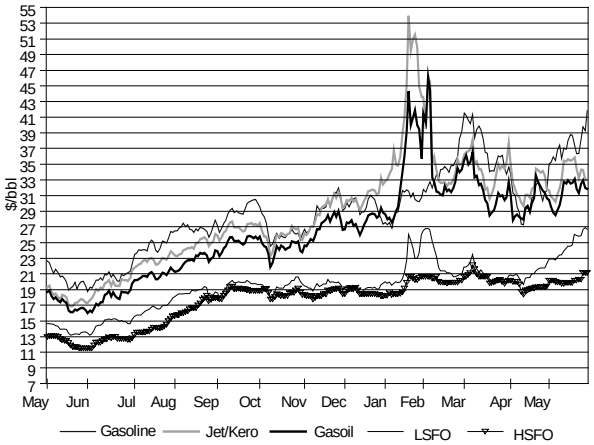
(monthly and weekly averages, $/bbl)

	May	Apr	May	*May-Apr*	*% Chg*	Week ending 05 May	12 May	19 May	26 May	02 Jun	Mar	Apr	May
Rotterdam, Barges FOB											***Differential to Brent***		
Premium Unleaded (Cargo)	36.97	34.02	39.35	*5.33*	*15.7%*	35.70	36.55	40.39	43.46	43.32	9.75	11.43	11.65
Regular Unleaded	35.92	33.05	36.91	*3.86*	*11.7%*	34.46	34.46	38.30	39.74	39.33	8.70	10.46	9.21
Naphtha	30.81	24.60	27.87	*3.27*	*13.3%*	24.21	26.85	29.52	30.03	30.24	3.59	2.01	0.17
Jet/Kerosene	34.23	32.99	32.10	*-0.88*	*-2.7%*	30.93	31.20	32.84	33.13	33.17	7.01	10.40	4.40
Gasoil	30.83	28.67	30.25	*1.58*	*5.5%*	29.36	29.68	30.97	30.84	30.65	3.60	6.08	2.55
Fuel Oil 1.0%S	23.07	19.83	20.28	*0.45*	*2.3%*	19.14	19.43	20.61	21.29	22.73	-4.15	-2.76	-7.42
Fuel Oil 3.5%S	23.23	19.01	19.48	*0.48*	*2.5%*	18.55	18.29	19.86	20.63	21.55	-3.99	-3.58	-8.22
Mediterranean – Basis Italy, Cargoes FOB											***Differential to Urals***		
Premium 0.15 g/l	38.20	34.53	39.97	*5.44*	*15.8%*	36.47	37.45	40.99	43.66	44.25	12.42	13.39	13.45
Naphtha	29.42	23.20	26.50	*3.31*	*14.2%*	22.82	25.43	28.15	28.73	28.94	3.64	2.06	-0.01
Jet/Kerosene	32.54	31.32	29.68	*-1.64*	*-5.2%*	27.92	28.81	30.71	30.90	30.84	6.77	10.18	3.16
Gasoil	30.15	27.12	29.37	*2.26*	*8.3%*	27.97	28.35	30.12	30.66	30.50	4.38	5.98	2.85
Fuel Oil 1.0%S	22.85	19.67	20.81	*1.14*	*5.8%*	19.63	20.05	20.88	22.10	22.96	-2.93	-1.47	-5.70
Fuel Oil 3.5%S	22.26	17.93	17.22	*-0.71*	*-4.0%*	16.09	16.29	17.35	18.57	19.18	-3.51	-3.20	-9.30
NY Harbour, Barges											***Differential to WTI***		
Premium Unleaded 93	38.19	31.92	41.82	*9.90*	*31.0%*	38.84	41.59	42.81	42.72	46.25	8.41	6.23	12.91
Regular Unleaded 87	37.34	30.45	37.38	*6.93*	*22.7%*	35.42	36.78	38.21	38.00	41.40	7.55	4.76	8.46
Jet/Kerosene	34.53	32.22	33.41	*1.19*	*3.7%*	30.84	33.38	35.62	33.83	33.02	4.74	6.53	4.50
No.2 (Heating Oil)	32.39	30.84	31.71	*0.87*	*2.8%*	29.57	31.44	33.27	32.37	32.37	2.61	5.15	2.79
Fuel Oil 1.0%S (Cargo)	21.07	20.96	24.56	*3.60*	*17.2%*	22.84	23.60	24.89	26.21	26.20	-8.72	-4.74	-4.36
Fuel Oil 3.0%S (Cargo)	20.49	19.31	20.16	*0.85*	*4.4%*	20.09	19.81	19.90	20.59	21.13	-9.29	-6.39	-8.76
Singapore, Cargoes											***Differential to Dubai***		
Gasoline Unleaded 95	32.58	27.90	32.00	*4.10*	*14.7%*	30.91	31.74	33.53	32.24	30.59	7.50	5.85	6.15
Naphtha	29.08	24.98	27.34	*2.36*	*9.4%*	26.46	27.31	28.30	27.55	26.36	4.00	2.93	1.49
Jet/Kerosene	32.37	27.97	29.02	*1.06*	*3.8%*	28.11	28.81	29.50	29.44	29.75	7.29	5.91	3.17
Gasoil	32.94	26.76	27.98	*1.21*	*4.5%*	26.73	27.48	28.33	28.90	29.68	7.86	4.71	2.13
LSWR (0.3%S)	25.85	24.52	26.46	*1.94*	*7.9%*	24.70	25.70	26.89	27.97	27.73	0.77	2.47	0.61
HSFO (3.5%S 180cst)	26.38	23.68	25.20	*1.52*	*6.4%*	24.76	24.55	25.45	25.93	25.71	1.30	1.63	-0.65
HSFO (3.5%S 380cst)	25.31	22.96	24.12	*1.17*	*5.1%*	23.73	23.43	24.37	24.85	24.62	0.23	0.90	-1.73

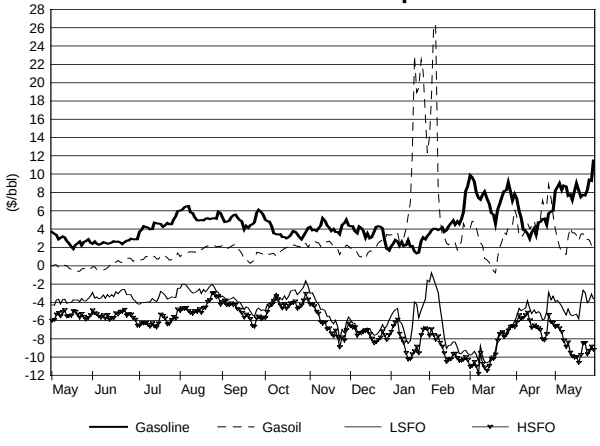
Americas

North American product markets were buoyant in May relative to those in Europe and Asia. Despite an increase in refinery runs and maximum gasoline production yields - 55% - stocks continue to fall from already depressed levels. Unusually high gasoline prices in Europe undermined arbitrage to the US, reducing imports. This, combined with the recent US Court of Appeals' decision not to review its earlier ruling to uphold the UNOCAL patent on most FRG II formulas, and concerns about blending requirements to meet the new product specifications, drove gasoline prices upwards. Increased agricultural demand, combined with lower product yields, virtually assures that distillate stocks will be lower than normal heading into next winter's heating season.

New York Harbor Product Spot Prices



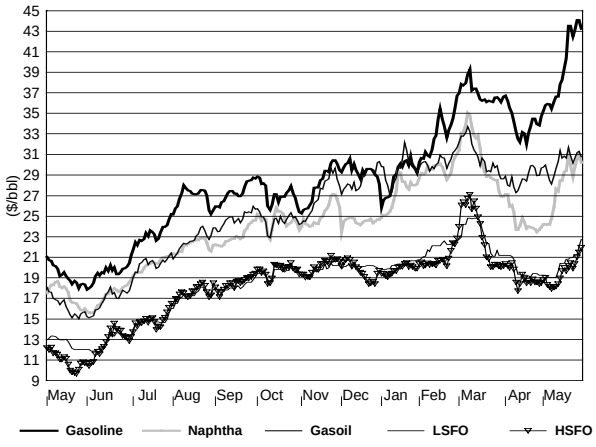
New York Harbour Product Spread to WTI



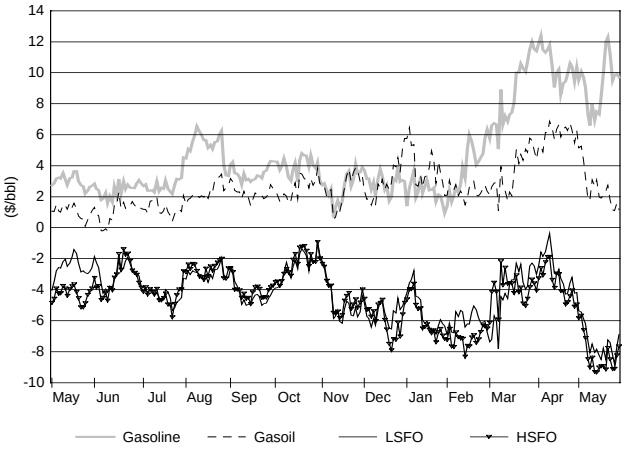
Europe

Low stocks and unusually heavy refinery maintenance supported European light product prices. Gasoline prices surged due to limited availability and the cost of blending feedstock required to meet new European automotive specifications introduced on 1 January 2000. From January onwards most European refiners have not been able to market leaded gasoline and have reverted to using MTBE to boost octane levels. This has pushed the price of MTBE in Northwest Europe to 1.5 times the value of premium unleaded gasoline, as demand outstrips supply. On the other hand, jet fuel prices weakened with the arrival of Middle East product attracted by short-lived arbitrage opportunities. Weak petrochemical demand due to high crude oil feedstock prices and facility maintenance undermined naphtha prices. Reduced crude runs boosted interest in straight-run fuel oil as an alternative feedstock. All eyes are focused on German customers who filled their large tanks last year when heating oil prices were low, and are once again waiting for prices to fall, preferring for the moment to draw down inventories.

Rotterdam Spot Product Prices



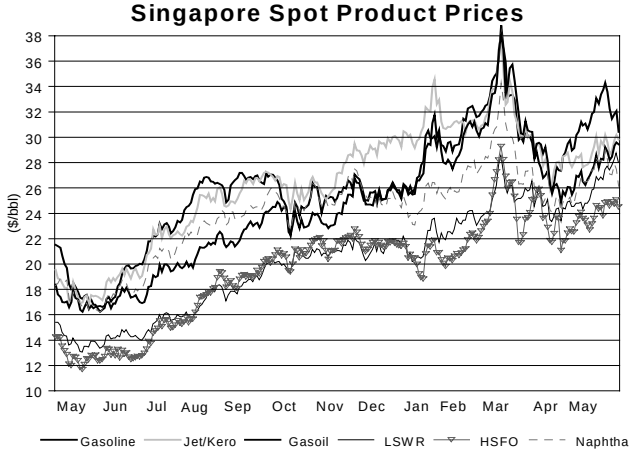
Rotterdam Product Spread to Brent



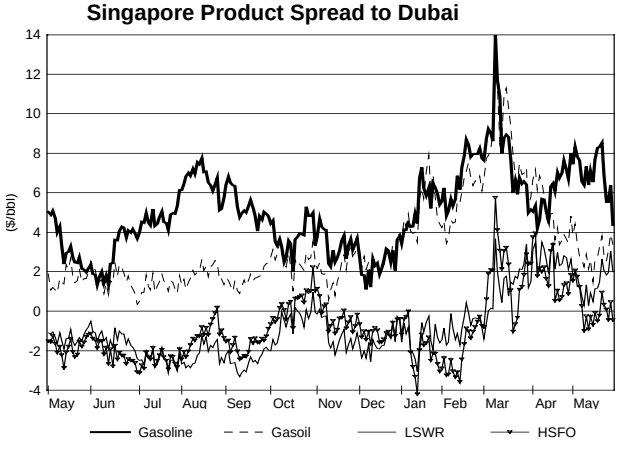
Asia-Pacific

Product prices in Asia increased despite a weakening market. Except for fuel oil, however, most product prices weakened relative to European and North American counterparts. Gasoline prices in particular remain depressed, as US West Coast refiners increase throughputs and China renews its gasoline exports. Strong refinery runs ensure that China will remain gasoline-long for the foreseeable future. The commissioning of Taiwan's new Formosa Petrochemical facility will exacerbate the regional supply imbalance, reversing Taiwan's traditional gasoline import dependency. Asian jet fuel prices firmed as Middle East barrels were pulled into Europe while fuel oil prices were supported by Chinese imports. A heavy refinery maintenance programme over the next few months should support Asian product prices, given current stock levels.

Singapore Spot Product Prices



Singapore Product Spread to Dubai



End-User Product Prices

End-user product prices in May moved in different directions across IEA countries, and among oil products, as shown in Table 9 at the end of the Report. Germany and France experienced the largest increases, while prices in Spain and the United States declined. Prices in Italy, the UK and Japan remained steady. On a relative basis, end-user prices rose more than underlying crude and CIF product prices.

Overall, end-user **domestic heating oil** prices experienced the largest increase, of 2%, while changes in **automotive diesel, gasoline** and **heating fuel oil** for industry prices were within 1% of April prices. On a year-on-year basis, industrial fuel oil showed the largest percentage gain, over 50%, followed by domestic heating oil, automotive diesel and gasoline. Japan had the lowest overall year-on-year percentage increase, less than 15%, with France the highest, in the 40% range.

Mid-Month End-User Product Price Changes
May 2000 versus April 2000
Local Currency Including Taxes

	Gasoline[1]	Automotive Diesel[3]	Domestic Heating Oil[2]	HFO for Industry[5]
US	1.3	-0.3	-5.4	na
Canada	4.1	-0.2	na	na
France	0.5	0.0	5.2	6.2
Germany	-0.5	0.4	5.0	14.9
Italy	1.0	1.0	0.8	0.0
Spain	1.7	-0.9	2.4	-16.1
UK	-0.8	-1.0	2.6	-5.2
Japan	0.0	0.0	0.5	0.0

1 premium leaded gasoline for France, Italy, Spain, the UK; regular unleaded gasoline for Canada, Germany, Japan and the US
2 estimated
3 VAT excluded where it is refundable: Heavy Fuel Oil for Industry, Automotive Diesel for Industry
4 kerosene
5 high sulphur fuel oil price for France, Spain, the UK and Japan; low sulphur fuel oil price for Germany and Italy - details are shown in Table 9 at the back of the Report

Refining Margins in May

Despite the rhetoric about potential product shortages, margins collapsed in May across most refining centres. Hydroskimming margins experienced the steepest declines, falling by over 100%. Cracking margins in Europe and Asia fell by over 50%, but increased slightly in North America. Rising crude oil prices and lagging product prices undermined refining margins while increased product demand, low product inventory and scheduled maintenance provided support. US Gulf Coast margins are now almost double those of the Mediterranean, with Singapore and Northwest Europe even lower.

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

	Mar	Apr	May	*Change*	Week Ending: 28 Apr	05 May	12 May	19 May	26 May	02 Jun
NW Europe										
Brent (Hydroskimming)	0.01	2.04	-1.07	-3.11	1.45	0.14	-1.45	-1.49	-1.25	-1.21
Brent (Cracking)	2.01	3.89	1.25	-2.64	3.42	2.20	0.67	0.96	1.34	1.33
Mediterranean										
Urals (Hydroskimming)	2.10	3.33	-0.45	-3.77	2.36	0.50	-1.15	-0.97	-0.15	-0.01
Urals (Cracking)	4.10	5.16	2.25	-2.91	4.52	2.87	1.33	1.88	2.87	2.95
US Gulf Coast										
Brent (Cracking)	1.70	4.04	2.92	-1.12	4.06	5.05	3.69	2.33	1.11	2.19
WTI (Cracking)	1.57	2.94	4.06	1.11	3.78	5.32	4.32	3.62	3.18	3.85
Singapore										
Dubai (Hydroskimming)	3.22	2.32	0.20	-2.12	1.53	1.01	-0.49	-0.08	0.53	-0.10
Dubai (Cracking)	4.99	3.34	1.63	-1.72	2.74	2.24	0.99	1.55	1.92	1.17

For the purposes of this Report, refining margins are calculated on the basis of an "average" refinery that is running a "typical" crude slate in a specific refining centre. Consequently, reported margins should be taken as an indication, or proxy, of changes in profitability for a given refining centre. No attempt is made to model or otherwise comment upon the relative economics of specific refineries, running individual crude slates and producing custom product sales.

Margins on the **US Gulf Coast** were supported by an influx of Middle East and Latin American crudes in the aftermath of the Vienna Agreement, which pushed down feedstock acquisition costs. Low product stocks and increased North American demand for gasoline contributed to generally higher product prices, which supported margins. Increased crude runs in Europe strengthened physical Brent prices, which narrowed the WTI-Brent differential, undermining Brent cracking margins relative to those of WTI.

At over $4 per barrel, US Gulf Coast WTI cracking margins led those of all major refining centres, followed by Urals cracking margins in the Mediterranean. Despite higher utilisation rates, low gasoline inventories ahead of the summer driving season should help maintain US Gulf Coast margins. But maximising gasoline production entails producing less middle distillate. This delays

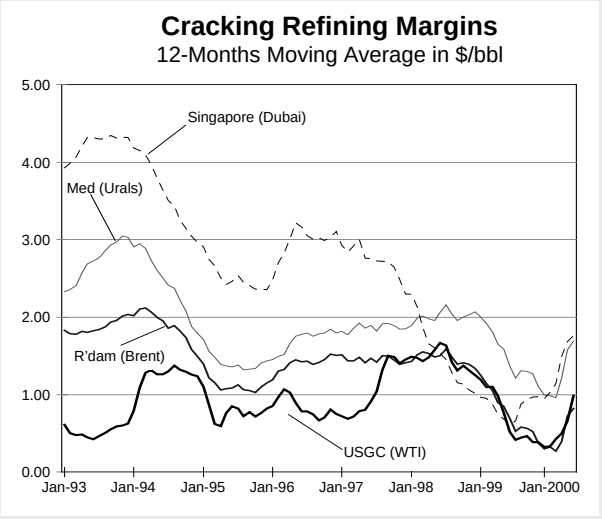
replenishing low heating oil stocks in advance of next winter's heating season. This, in turn, should provide encouragement to North American refiners to keep runs high through the summer months and into the autumn.

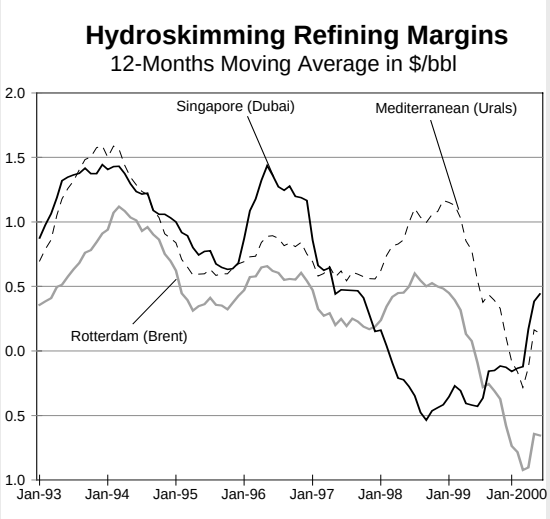
Faced with higher crude acquisition costs and generally lower product prices, European refiners fared much worse than their US counterparts. Cracking and hydroskimming margins in both **Rotterdam** and the **Mediterranean** fell by more than $3 per barrel in May. Cracking margins remain positive but hydroskimming margins in both centres are again mired in negative territory. The Mediterranean benefited from the downward pressure on crude oil prices exerted by increased Russian, Iraqi and Middle East imports into the region. Despite low product inventory levels, refineries returning from scheduled maintenance will depress margins, as product demand in Europe declines seasonally.

Singapore refining margins fell victim to rising crude oil prices, generally weaker product markets and incremental refining capacity. Cracking and hydroskimming margins fell by an average of $2 per barrel in May, but remain positive. Despite growing product demand, Asian refiners remain cautious and are somewhat reluctant to increase runs, as the region will need to work off the effect of incremental refining capacity.

On the Margin

Given low inventory levels and the need to replenish product stocks in advance of peak gasoline and heating oil seasons, margins would normally strengthen and provide refiners with the appropriate price signals to increase throughputs. While margins spiked in March and April, they retreated sharply in May. Consequently, hydroskimming margins are again negative, with cracking margins average, at best. This does not bode well for increased throughputs.





As reflected in the two graphs above, on a moving 12-month basis, hydroskimming margins are extremely low, with cracking margins mildly positive. Recent history therefore does not provide a powerful inducement to increase runs.

Part of the downward pressure on margins can be accounted for by a global oversupply of refining capacity. Construction of major new facilities in Asia, Latin America and the Middle East has exacerbated this situation. It will take several more years of increased product demand to work off the effects of excess Asian capacity. Significant capital expenditures required to meet tighter environmental specifications on products has also taken its toll, as refiners struggle to recover the cost of their investment. More recently, rapidly rising crude oil prices, product market backwardation and price volatility have squeezed margins, with product prices tending to lag behind increases in crude oil.

Refiners have worked extremely hard, and experienced significant economic hardship, to reduce overcapacity by lowering throughputs in an attempt to strengthen margins. It is therefore understandable that refiners are somewhat reluctant to ramp up throughputs, especially if increased margins are perceived to be only a temporary phenomenon.

OECD Refinery Throughputs in April

Aggregate refinery throughputs in OECD countries in April rose by 2%, or 589 kb/d. Throughput increases in OECD Europe and OECD North America of 415 kb/d and 319 kb/d were partially offset by a decrease of 145 kb/d in OECD Pacific. Australia saw the largest gain in throughput followed by France and the Netherlands, while Japan led the declines. Preliminary data suggest that refinery utilisation rates in OECD countries averaged just under 90% in April, a reduction of 1 percentage point from 1999. The month-to-month decrease in aggregate OECD throughputs follows seasonal patterns. April is typically the month when North American refineries gear-up production for the summer gasoline season, while European and Asian refiners prepare for scheduled maintenance to switch from winter to summer production mode. The slight net increase in April throughputs leaves aggregate OECD throughputs slightly above the April average of the past four years.

Refinery Crude Throughput and Utilisation in OECD Countries

	million barrels per day					*change from Mar 99*		utilisation rate[2]	
	Dec	Jan	Feb	Mar	Apr	mb/d	%	Apr 00	Apr 99
OECD Europe	13.50	13.49	13.57	12.68	13.10	-0.351	-2.6	89.6%	92.0%
France	1.70	1.83	1.81	1.61	1.74	-0.042	-2.4	100.2%	102.6%
Germany	2.29	2.22	2.21	2.12	2.13	0.094	4.6	94.2%	90.0%
Italy	1.76	1.66	1.70	1.60	1.67	-0.070	-4.0	82.3%	85.7%
Netherlands	1.11	1.12	1.11	1.03	1.09	-0.083	-7.1	89.7%	96.5%
Spain	1.11	1.05	1.12	1.08	1.12	-0.119	-9.6	87.7%	97.0%
UK	1.64	1.63	1.72	1.73	1.69	0.062	3.8	97.1%	93.6%
US	14.59	13.92	14.21	14.82	15.11	-0.075	-0.5	91.6%	93.7%
Canada	1.66	1.76	1.73	1.63	1.68	0.140	9.1	91.2%	83.6%
Mexico	1.14	1.14	1.16	1.15	1.12	0.015	1.4	72.2%	71.2%
Japan	4.39	4.26	4.40	4.52	4.24	-0.050	-1.2	80.4%	79.9%
Korea	2.65	2.64	2.54	2.44	2.45	-0.008	-0.3	99.6%	99.9%
Australia/New Zealand	0.88	0.80	0.83	0.72	0.84	0.018	2.2	101.8%	99.6%
OECD Total	38.80	38.01	38.44	37.96	38.55	-0.313	-0.8	89.5%	90.6%

1 Estimate
2 Based on crude throughput and current operable refining capacity

The majority of the 319 kb/d increase in **North American** throughputs in April occurred in the US and Canada, raising the aggregate utilisation rates to just over 91%. This number is somewhat understated given an increase in aggregate operable capacity associated with the re-commissioning of idled capacity such as the Orion (formerly Trans American, formerly Good Hope) Refinery. Mexican throughputs declined by 3%, and utilisation rates are in the 72% range. Despite low product inventories and prospect of potential gasoline supply imbalances later this summer, US throughputs are now essentially identical to those achieved in 1997 and at this time last year. US Gulf Coast margins improved significantly in May, which should provide an incentive to increase runs still further. Considerable political pressure is being mounted to ensure that runs are raised to meet peak gasoline demand.

With North America focused on maximising gasoline production, heating oil production is suffering. The US refining complex is extremely sophisticated by global standards and has the ability to change product yields. Through cracking, conversion and reforming processes, it can increase the production of lighter ends of the product barrel, such as gasoline, at the expense of middle distillates, such as kerosene. US refiners are currently focused on the most immediate and pressing problem: a potential gasoline supply imbalance later this summer. Typically the summer months are when heating oil stocks are built in advance of the winter heating season. By maximising gasoline production, refiners are reducing distillate production, which means that restocking heating oil is being delayed. Solving one problem creates another. Clearly, the North American refining complex will be under pressure to operate at high utilisation rates for the foreseeable future. Squeezing crude through a capacity-constrained system increases the risk of outages and unscheduled maintenance.

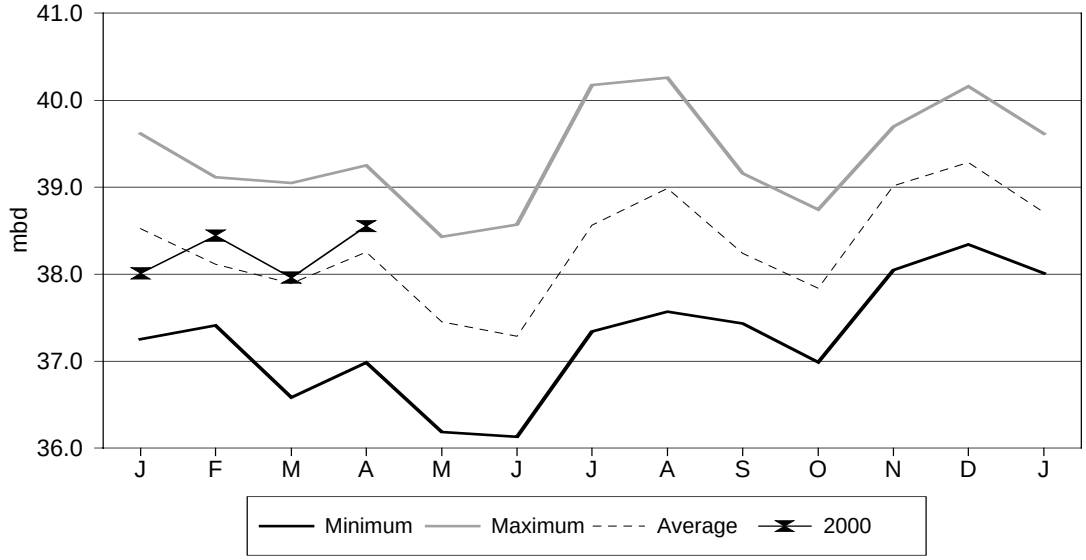
Estimated OECD **Europe** throughputs increased by 3% or 415 kb/d in April, as refineries returned from heavy maintenance in the first quarter. This increase follows seasonal patterns. France, the UK and Germany have the highest utilisation rates, followed by the Netherlands. European utilisation rates stood at just under 90% in April, slightly less than those of their North American and Asia-

Pacific counterparts. With margins weaker than those in the US, lower regional product demand, uncertainties surrounding gasoline specifications and exports to the US, throughputs could decline in May. Despite low European product inventories, one major oil company with integrated refining interests has announced plans to curtail throughputs by 20% due to poor margins.

Throughputs in OECD **Pacific** declined in April, in line with seasonal patterns. Japanese throughputs dropped by 280 kb/d, partly offset by corresponding increases in Australia and Korea. This leaves Japan with one of the lowest utilisation rates of any major OECD country, at just over 80%. In contrast, Korean, Australian and New Zealand refineries are running at close to 100% of nameplate operating capacity. While low, Japanese utilisation rates are still much higher than those in Singapore. Singapore is Asia's swing refining centre, and it has been particularly hard hit by capacity expansions in India, Korea and, most recently, Taiwan. A major, with significant refining presence in Singapore, has announced plans to operate its facility at 60% of capacity. Japanese and Korean refiners are expected to commence scheduled maintenance and turn-arounds in May, reducing aggregate runs in the region.

Consistent with seasonal patterns, aggregate OECD refinery throughputs in May are thought to have fallen slightly. This is despite weekly statistics suggesting that US throughput levels increased by 340 kb/d to average 15.45 mb/d for the four weeks ending 26 May. With improved margins, low gasoline inventories and encouragement from the US Government, US refiners are expediting maintenance programs and maximising gasoline production.

OECD Total Crude Throughputs
(1996 - 1999 Average)



Downstream Industry Developments

Kazakhstan's state-owned Kazakoil plans to modernise its Atyrau refinery on the Caspian Sea. In 1999 the refinery is estimated to have used only a quarter of its nameplate capacity of 100 kb/d. However, Japanese trading house Marubeni announced its modernisation plan, which would be financed by the Japan Bank For International Cooperation. Construction is due to start by the end of this year, and the refinery will have an effective capacity of 85 kb/d when the upgrading is completed. Under the plan, the plant will process a minimum of 62 kb/d of crude, which the Kazakhstan Government and Kazakoil have guaranteed to supply out of their royalty portion of the Tengiz and adjacent fields.

Naftec, the refining subsidiary of Algeria's state-owned Sonatrach, plans to upgrade all of its four domestic refineries to adapt to the EU's new product specification. Naftec also aims to increase its combined capacity by 30% over the next five years and to ultimately double its capacity to 1 mb/d within ten years. The Algerian Government is seeking foreign investment to finance the project, but has not yet been successful.

On 23 May Idemitsu Kosan, the second largest oil company in Japan, announced that it would issue preferred stock worth 30 billion Japanese yen ($300 million) and allocate them to financial institutions which provided loans to the company. The company also planned to raise funds through a public offering, which would take place within five years. Although the preferred shares issued this time do not have voting rights, this is the first time the company has had shareholders other than the Idemitsu family. Idemitsu Kosan has been owned and run by the Idemitsu family since its start in 1940. The company's debt reportedly reached as much as 2.2 trillion Japanese yen ($22 billion) by 1996.

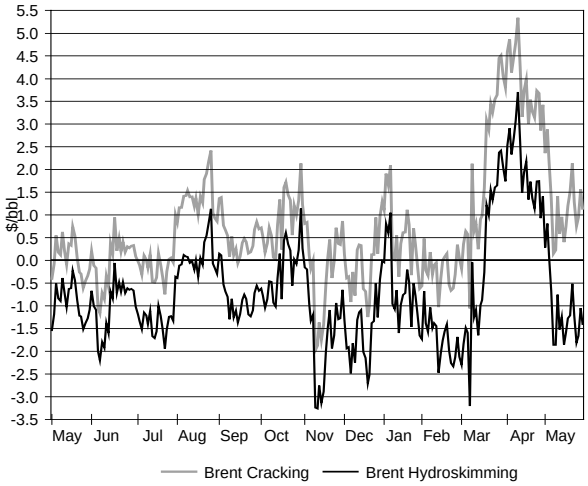
In China, all gasoline stations in three large cities (Beijing, Shanghai and Guangzhou) will be required to sell only unleaded gasoline starting 1 July, as part of an effort to tackle air pollution in the country. The Chinese authorities issued new specifications for motor vehicle gasoline in June and December last year and shut down small refineries that were producing low quality gasoline over the course of last year. Chinese refineries officially stopped producing leaded gasoline at the end of 1999. However, the high cost of producing unleaded gasoline under the new specifications has added one more problem for refiners, who were already suffering from low or negative margins. China National Petroleum Corporation and Sinopec are reportedly negotiating with municipal governments for tax breaks. It is expected that the same requirement will be imposed on the rest of the country beginning in 2003.

Following the start of commercial production at the Numaligarh refinery in Assam, India (see page 39 of the Report dated 11 May 2000), there has been a change in the shareholding of the refinery. Bharat Petroleum has increased its share to 51% through the acquisition of a 19% stake previously owned by IBP. The Indian Government plans to privatise IBP by December of this year and reportedly asked Bharat Petroleum to purchase the IBP's share prior to the privatisation. Meanwhile, Indian Oil Corporation continues to expand its refining capacity. The state-owned company plans to double the capacity of its 120 kb/d Panipat refinery. In addition, construction is slated to start in May to expand refining capacity of the Paradeep refinery from 180 kb/d to 240 kb/d.

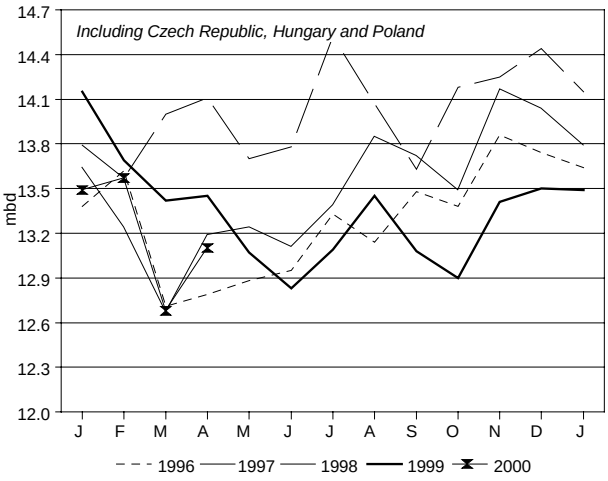
Royal/Dutch Shell ceased production at its 53 kb/d Sola refinery in Norway at the end of March after 32 years of operation. The refinery is to be dismantled over the next two to three years. Meanwhile, reconstruction of a crude distillation unit at the company's 180 kb/d Godorf refinery in Germany is now underway and the restart is scheduled for July. The unit was damaged by fire on 23 March.

In mid-US, CMS Energy, Marathon Ashland and a Duke Energy unit, Teppco Partners, formed a joint venture to convert a 720-mile natural gas pipeline to carry petroleum products, delivering jet fuel, gasoline and diesel from the Gulf Coast to Illinois. The conversion is scheduled for completion by late 2001. The line will intersect Teppco's main product pipeline in Illinois, where a two-million-barrel storage facility will be built.

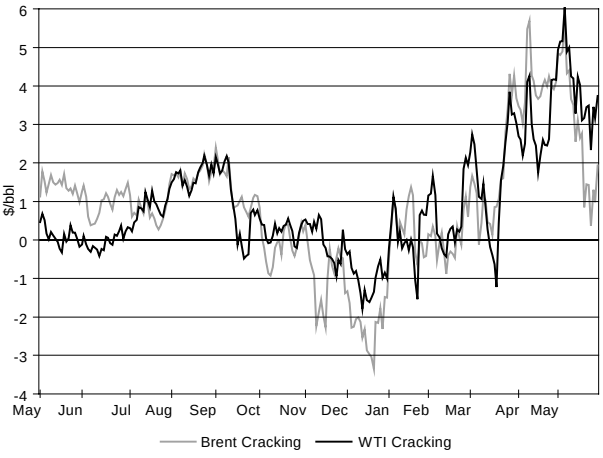
Rotterdam Refining Margins



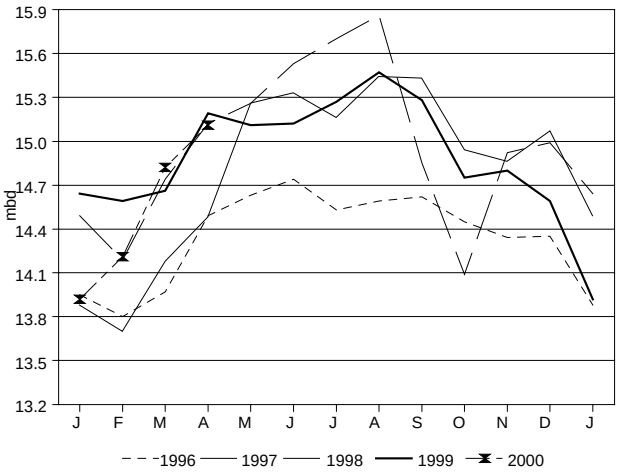
OECD Europe Crude Throughputs



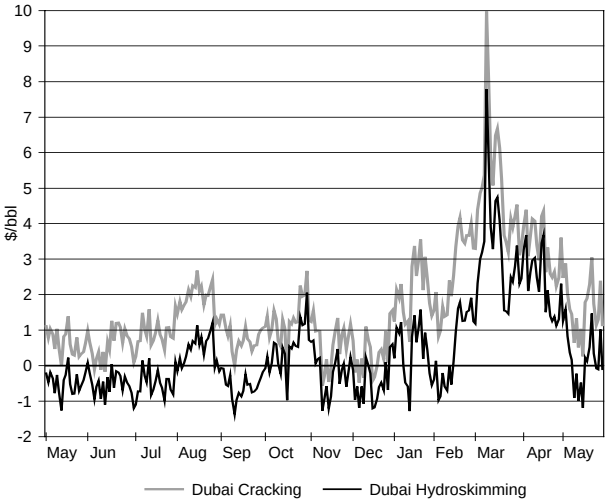
US Gulf Refining Margins



US Crude Throughputs



Singapore Refining Margins



Japan Crude Throughputs

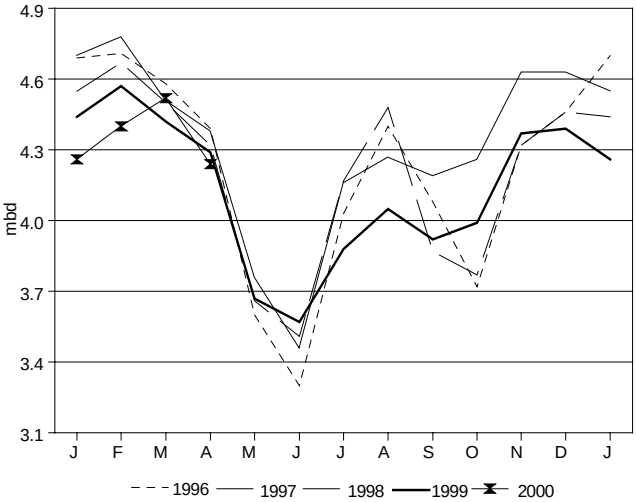


Table 1
WORLD OIL SUPPLY AND DEMAND

(million barrels per day)

	1996	1997	1Q98	2Q98	3Q98	4Q98	1998	1Q99	2Q99	3Q99	4Q99	1999	1Q00	2Q00	3Q00	4Q00	2000
OECD DEMAND																	
North America	22.2	22.7	22.6	23.0	23.4	23.4	23.1	23.6	23.4	24.0	24.1	23.8	23.3	23.7	24.5	24.6	24.0
Europe	14.9	15.0	15.4	14.7	15.2	15.9	15.3	15.8	14.4	14.7	15.6	15.1	15.1	14.7	15.2	16.0	15.3
Pacific	8.8	9.0	9.2	7.7	8.0	8.8	8.4	9.4	7.9	8.2	9.1	8.6	9.3	8.1	8.4	9.4	8.8
Total OECD	45.9	46.7	47.2	45.4	46.6	48.1	46.8	48.8	45.6	46.8	48.9	47.5	47.7	46.6	48.1	50.0	48.1
NON-OECD DEMAND																	
FSU[1]	4.3	4.3	4.5	4.1	3.9	3.8	4.1	4.0	3.4	3.8	4.0	3.8	3.8	3.5	3.8	3.9	3.8
Europe	0.8	0.8	0.8	0.8	0.7	0.8	0.8	0.8	0.8	0.7	0.8	0.8	0.8	0.7	0.7	0.8	0.8
China[1]	3.7	4.1	4.3	4.2	4.0	4.0	4.2	4.3	4.6	4.5	4.4	4.4	5.1	4.7	4.6	4.5	4.7
Other Asia	6.4	6.7	6.6	6.8	6.7	7.0	6.8	7.0	7.2	7.1	7.2	7.1	7.1	7.4	7.5	7.7	7.4
Latin America	4.3	4.4	4.4	4.7	4.7	4.6	4.6	4.5	4.6	4.7	4.6	4.6	4.5	4.7	4.8	4.8	4.7
Middle East	4.0	4.2	4.2	4.3	4.4	4.2	4.3	4.2	4.3	4.3	4.1	4.2	4.2	4.4	4.4	4.3	4.3
Africa	2.2	2.3	2.4	2.4	2.3	2.5	2.4	2.4	2.4	2.4	2.4	2.4	2.5	2.4	2.4	2.5	2.5
Total Non-OECD	25.7	26.8	27.4	27.2	26.8	26.9	27.1	27.2	27.2	27.5	27.5	27.4	27.9	27.9	28.3	28.4	28.1
Total Demand[2]	71.6	73.4	74.5	72.6	73.4	74.9	73.9	76.0	72.8	74.3	76.4	74.9	75.6	74.4	76.4	78.4	76.2
OECD SUPPLY																	
North America	14.3	14.6	14.9	14.7	14.2	14.3	14.5	14.1	13.9	13.9	14.1	14.0	14.3	14.3	14.2	14.5	14.3
Europe	6.7	6.7	6.9	6.6	6.3	6.8	6.7	6.8	6.5	6.7	7.1	6.8	7.1	6.9	6.8	7.2	7.0
Pacific	0.7	0.7	0.7	0.7	0.8	0.6	0.7	0.6	0.6	0.7	0.7	0.7	0.9	0.9	0.9	0.9	0.9
Total OECD	21.7	22.1	22.6	22.0	21.3	21.6	21.9	21.5	20.9	21.2	22.0	21.4	22.2	22.1	21.9	22.6	22.2
NON-OECD SUPPLY																	
FSU	7.1	7.2	7.3	7.2	7.3	7.4	7.3	7.4	7.4	7.5	7.6	7.5	7.7	7.8	7.8	7.8	7.8
Europe	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
China	3.1	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.3	3.3	3.2	3.2	3.2
Other Asia	2.1	2.2	2.2	2.1	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.1	2.1	2.2	2.2
Latin America	3.3	3.4	3.5	3.6	3.6	3.8	3.6	3.8	3.8	3.8	3.8	3.8	3.7	3.7	3.8	3.8	3.8
Middle East	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	2.0	2.0	1.9	1.9
Africa	2.6	2.7	2.8	2.8	2.8	2.8	2.8	2.7	2.7	2.8	2.9	2.8	3.0	3.0	3.0	3.0	3.0
Total Non-OECD	20.4	20.8	21.1	21.0	21.1	21.4	21.2	21.4	21.4	21.6	21.8	21.6	21.9	22.0	22.1	22.1	22.0
Processing Gains[3]	1.5	1.6	1.7	1.6	1.6	1.7	1.6	1.7	1.6	1.6	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Total Non-OPEC	43.6	44.5	45.3	44.7	44.0	44.7	44.7	44.6	44.0	44.5	45.5	44.6	45.9	45.8	45.7	46.4	45.9
OPEC																	
Crude	25.8	27.2	28.6	28.4	27.5	27.7	28.0	27.8	26.3	26.2	26.1	26.6	26.5				
NGLs	2.6	2.7	2.8	2.8	2.8	2.8	2.8	2.8	2.8	2.9	2.8	2.8	2.8	2.9	2.9	2.9	2.9
Total OPEC	28.4	29.9	31.3	31.2	30.3	30.5	30.8	30.6	29.1	29.1	29.0	29.4	29.3				
Total Supply[4]	72.0	74.4	76.7	75.8	74.4	75.2	75.5	75.2	73.1	73.6	74.4	74.1	75.2				
STOCK CHANGES AND MISCELLANEOUS																	
Reported OECD																	
Industry	0.0	0.3	-0.1	1.5	0.3	-0.7	0.2	-0.7	0.4	-0.3	-2.3	-0.7	-0.4				
Government	0.0	0.0	0.0	0.3	0.1	0.1	0.1	0.0	0.1	-0.1	-0.1	0.0	0.0				
Total	0.0	0.3	-0.1	1.7	0.4	-0.6	0.3	-0.7	0.4	-0.4	-2.4	-0.8	-0.4				
Floating Storage/Oil in Transit	-0.1	0.1	0.1	0.3	-0.1	0.0	0.1	0.0	0.1	-0.1	-0.1	-0.1	0.0				
Miscellaneous to balance[5]	0.5	0.6	2.2	1.2	0.7	0.8	1.2	0.0	-0.2	-0.2	0.5	0.0	0.0				
Total Stock Ch. & Misc	0.5	0.9	2.1	3.2	1.0	0.2	1.6	-0.7	0.3	-0.7	-2.0	-0.8	-0.4				
Memo items:																	
FSU Net Exports	2.8	3.0	2.8	3.1	3.4	3.5	3.2	3.3	4.1	3.8	3.6	3.7	3.9	4.3	4.0	3.9	4.0
Call on OPEC crude + Stock ch.[6]	25.4	26.3	26.5	25.2	26.6	27.4	26.4	28.5	26.0	27.0	28.1	27.4	26.9	25.8	27.8	29.1	27.4
Total Demand ex. FSU	67.2	69.2	70.0	68.5	69.5	71.1	69.8	71.9	69.4	70.5	72.4	71.1	71.9	70.9	72.5	74.5	72.5
Total demand exc. FSU (% ch)[7]	3.3	2.9	1.4	1.0	0.8	0.5	0.9	2.7	1.3	1.5	1.8	1.8	-0.1	2.2	2.8	2.8	1.9

1 figures for FSU and China are apparent demand derived from official production figures and trade data
2 measured as deliveries from refineries and primary stocks, comprises inland deliveries, international marine bunkers and refinery fuel and includes crude for direct burning, oil from non-conventional sources and other sources of supply
3 net of volumetric gains and losses in the refining process (excludes net gain/loss in former USSR, China and non-OECD Europe) and marine transportation losses
4 comprises crude oil, condensates, NGLs, oil from non-conventional sources and other sources of supply
5 includes changes in non-reported stocks in OECD and non-OECD areas
6 equals total demand minus total non-OPEC supply minus OPEC NGLs and thus includes "Miscellaneous to balance" for historical time periods
7 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)

	1996	1997	1Q98	2Q98	3Q98	4Q98	1998	1Q99	2Q99	3Q99	4Q99	1999	1Q00	2Q00	3Q00	4Q00	2000
OECD DEMAND																	
North America	-	-	-	-	-	-	-	-	-	-	-	-	-0.2	-	0.1	-0.1	-0.1
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	-0.2	-	0.1	-
Pacific	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-0.1	-	-	-
Total OECD	-	-	-	-	-	-	-	-	-	-	-	-	-0.1	-0.2	0.1	-	-0.1
NON-OECD DEMAND																	
FSU	-	-	-	-	-	-	-	-0.2	-0.2	-0.2	-0.1	-0.2	0.1	-0.2	-0.2	-0.2	-0.1
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	-0.1	-	-	-
China	-	-	-	-	-	-	-	-	-	-	-	-	0.3	-0.1	-	-0.1	-
Other Asia	-	-	-	-	-	-	-	-	-	-	-	-	-0.1	-0.1	-	-	-0.1
Latin America	-	-	-	-	-	-	-	-	-	-	-0.1	-	-0.1	-	-	-	-
Middle East	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-
Africa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-0.1	-	-
Total Non-OECD	-	-	-	-	-	-	-	-0.2	-0.2	-0.2	-0.2	-0.1	-	-0.3	-0.3	-0.3	-0.2
Total Demand	-	-	-0.1	-	-	-0.1	-	-0.1	-0.2	-0.2	-0.1	-0.1	-0.1	-0.7	-0.2	-0.3	-0.3
OECD SUPPLY																	
North America	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-0.1	-0.1	-
Pacific	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total OECD	-	-	-	-	-	-	-	-	-	-	-	-	-0.1	0.1	-0.1	-	-
NON-OECD SUPPLY																	
FSU	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	0.1	0.1	0.1
Europe	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
China	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-	-	-
Other Asia	-	-	-	-0.1	-	-	-	-0.1	-	-	-	-	-	-0.1	-0.1	-	-
Latin America	-	-	-	-	-	-	-	-	-	-	-	-	-	-0.1	-	-	-
Middle East	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	-	-	-
Africa	-	-	0.1	0.1	0.1	0.1	0.1	-	-	-	-	-	0.1	-	-	-	0.1
Total Non-OECD	-	-	-	-	-	-	0.1	-	-	-	-	-	-	0.1	0.1	0.1	-
Processing Gains	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-OPEC	-	-	-	-	-	-	-	-	-	-	-	-	-	0.2	-	-	-
OPEC																	
Crude	-	-	-	-	-	-	-	-	-	-	-	-	-0.1				
NGLs	-	-	-	-	-	-	-	-	-	0.1	-	-	-	-	-	-	-
Total OPEC	-	-	-	-	-	-	-	-	-	-	-	-	-0.1				
Total Supply	-	-	0.1	-	-	-	-	-	-	-	-	-	-0.1				
STOCK CHANGES AND MISCELLANEOUS REPORTED OECD																	
Industry	-	-	-	-	-	-	-	-	-	-	-	-	-				
Government	-	-	-	-	-	-	-	-	-	-	-	-	-				
Total	-	-	-	-	-	-	-	-	-	-	-	-	-				
Floating Storage/Oil in Transit	-	-	0.1	-	-	-	0.1	-0.1	-0.1	0.1	0.1	-0.1	-				
Miscellaneous to balance	-	0.1	-	-	-	-0.1	-	0.3	0.3	0.2	-0.1	0.2	-				
Total Stock Ch. & Misc	-	-0.1	-	-	-	-	-	0.2	0.2	0.2	0.1	0.2	-				
Memo items:																	
FSU Net Exports	-	-	-	-	-	-	-	0.1	0.2	0.3	0.1	0.2	-	0.3	0.3	0.3	0.2
Call on OPEC crude + Stock ch.	-	0.1	-	-	-	-	-	-0.2	-0.2	-0.2	-0.1	-0.2	-0.1	-0.8	-0.2	-0.4	-0.4
Total Demand ex. FSU	-	-	-	-	-	-	-	-	-	-	-	-	-0.1	-0.5	-	-0.1	-0.1

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

Table 2

OECD REGIONAL OIL DEMAND[1]

(million barrels per day)

	November			December			Fourth Quarter			January			February		
	1998	1999	%	1998	1999	%	1998	1999	%	1999	2000	%	1999	2000	%
North America															
LPG	2.81	2.86	1.8	2.96	3.52	19.0	2.82	3.13	11.1	3.21	3.50	9.0	2.97	3.25	9.6
Naphtha	0.38	0.32	-16.3	0.40	0.39	-3.4	0.40	0.37	-7.3	0.43	0.35	-19.7	0.47	0.35	-25.2
Motor Gasoline	9.38	9.50	1.4	9.71	10.16	4.5	9.57	9.81	2.4	8.78	8.66	-1.4	9.33	9.46	1.4
Jet/Kerosene	1.93	1.95	1.2	2.06	2.08	0.8	1.98	2.01	1.4	1.93	1.92	-0.5	2.03	1.92	-5.4
Gasoil	4.17	4.48	7.7	4.34	4.77	9.9	4.30	4.62	7.3	4.56	4.61	1.2	4.51	4.70	4.2
Residual Fuel Oil	1.64	1.49	-9.2	1.67	1.65	-1.4	1.61	1.52	-5.6	1.70	1.45	-14.7	1.77	1.50	-15.7
Other Products	2.69	2.78	3.5	2.62	2.40	-8.4	2.75	2.69	-2.3	2.43	2.33	-4.3	2.64	2.53	-4.2
Total	22.99	23.39	1.8	23.77	24.96	5.0	23.43	24.14	3.0	23.05	22.81	-1.0	23.72	23.71	-0.1
Europe															
LPG	0.97	1.00	3.4	1.10	1.13	2.9	0.97	1.00	3.0	1.04	1.05	1.5	1.05	1.03	-2.4
Naphtha	1.26	1.26	-0.1	1.25	1.30	4.3	1.24	1.25	0.8	1.24	1.26	1.0	1.21	1.28	6.2
Motor Gasoline	3.08	3.13	1.6	3.18	3.13	-1.7	3.17	3.12	-1.6	2.71	2.71	-0.3	2.98	3.00	0.5
Jet/Kerosene	1.02	1.05	3.0	1.02	1.08	5.1	1.04	1.07	3.0	0.98	1.02	4.1	1.01	1.04	2.9
Gasoil	5.91	6.12	3.6	6.04	6.09	0.8	5.77	5.95	3.0	5.24	5.45	3.9	6.37	5.85	-8.2
Residual Fuel Oil	2.41	2.11	-12.2	2.49	2.16	-13.5	2.35	2.07	-11.9	2.40	2.15	-10.4	2.55	2.24	-12.2
Other Products	1.35	1.21	-9.9	1.12	1.12	0.3	1.31	1.18	-9.8	1.03	0.95	-7.6	1.07	1.04	-2.9
Total	15.98	15.88	-0.6	16.21	16.00	-1.2	15.86	15.65	-1.3	14.65	14.59	-0.4	16.24	15.47	-4.7
Pacific															
LPG	0.89	0.94	5.6	1.01	1.07	5.5	0.90	0.93	3.8	0.98	0.91	-6.9	1.02	1.03	1.1
Naphtha	1.40	1.50	6.8	1.48	1.51	1.9	1.40	1.47	5.4	1.52	1.41	-7.0	1.44	1.46	0.9
Motor Gasoline	1.48	1.52	2.9	1.59	1.63	2.6	1.52	1.55	1.8	1.35	1.34	-0.4	1.46	1.51	3.8
Jet/Kerosene	1.18	1.17	-1.2	1.68	1.81	7.5	1.26	1.28	2.1	1.65	1.51	-8.6	1.75	1.75	-0.3
Gasoil	1.96	1.98	1.2	2.06	2.15	4.7	1.94	2.00	2.9	1.78	1.74	-2.2	2.01	2.09	4.3
Residual Fuel Oil	1.14	1.24	8.0	1.22	1.37	12.3	1.15	1.25	8.7	1.20	1.19	-0.8	1.32	1.27	-3.6
Other Products	0.66	0.62	-6.2	0.67	0.68	0.9	0.63	0.62	-0.1	0.58	0.53	-8.0	0.71	0.62	-11.8
Total	8.72	8.97	2.8	9.72	10.23	5.2	8.79	9.11	3.6	9.06	8.64	-4.6	9.71	9.74	0.3
OECD															
LPG	4.67	4.80	2.9	5.07	5.72	12.8	4.69	5.06	8.0	5.23	5.47	4.5	5.04	5.31	5.3
Naphtha	3.04	3.07	1.0	3.14	3.20	2.2	3.04	3.09	1.9	3.20	3.02	-5.6	3.12	3.09	-0.9
Motor Gasoline	13.94	14.16	1.6	14.49	14.92	3.0	14.26	14.47	1.5	12.85	12.71	-1.1	13.77	13.97	1.5
Jet/Kerosene	4.13	4.17	1.0	4.77	4.96	4.1	4.28	4.37	2.0	4.56	4.45	-2.4	4.80	4.71	-1.8
Gasoil	12.03	12.59	4.6	12.44	13.02	4.6	12.02	12.56	4.6	11.58	11.80	1.9	12.88	12.64	-1.9
Residual Fuel Oil	5.19	4.84	-6.8	5.39	5.18	-3.9	5.11	4.85	-5.3	5.31	4.80	-9.6	5.64	5.01	-11.3
Other Products	4.70	4.61	-1.7	4.41	4.20	-4.8	4.69	4.49	-4.1	4.04	3.81	-5.6	4.42	4.19	-5.1
Total	47.69	48.24	1.2	49.70	51.19	3.0	48.08	48.89	1.7	46.75	46.04	-1.5	49.67	48.92	-1.5

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. Gasoil comprises diesel, light heating oil and other gasoils. North America comprises US 50 states,US territories, Mexico and Canada.

Table 3

OIL DEMAND IN SELECTED OECD COUNTRIES[1]

(million barrels per day)

	Fourth Quarter			January			February			March			First Quarter		
	1998	1999	%	1999	2000	%	1999	2000	%	1999	2000	%	1999	2000	%
United States[2]															
LPG	2.08	2.38	14.2	2.44	2.67	9.8	2.17	2.43	12.0	2.26	2.20	-2.6	2.29	2.43	6.2
Naphtha	0.30	0.28	-5.4	0.31	0.24	-20.8	0.35	0.26	-24.1	0.33	0.38	14.9	0.33	0.30	-9.6
Motor Gasoline	8.33	8.54	2.5	7.64	7.50	-1.9	8.12	8.22	1.3	8.11	8.23	1.5	7.95	7.98	0.3
Jet/Kerosene	1.79	1.80	0.5	1.74	1.72	-0.7	1.84	1.73	-6.0	1.79	1.73	-3.3	1.79	1.73	-3.3
Gasoil	3.45	3.74	8.4	3.70	3.75	1.3	3.63	3.75	3.5	3.79	3.66	-3.3	3.71	3.72	0.4
Residual Fuel Oil	0.83	0.77	-6.8	0.93	0.74	-20.5	1.00	0.78	-22.1	1.00	0.61	-39.2	0.98	0.71	-27.6
Other Products	2.32	2.28	-1.5	2.08	1.96	-5.8	2.26	2.12	-5.9	2.24	2.25	0.4	2.19	2.11	-3.6
Total	19.10	19.79	3.6	18.84	18.59	-1.3	19.35	19.29	-0.3	19.52	19.06	-2.4	19.23	18.98	-1.3
Japan[3]															
LPG	0.61	0.61	-0.7	0.68	0.57	-16.0	0.71	0.68	-4.4	0.69	0.74	7.1	0.69	0.66	-4.3
Naphtha	0.79	0.84	6.6	0.87	0.77	-11.5	0.83	0.80	-3.3	0.84	0.85	1.7	0.85	0.81	-4.5
Motor Gasoline	0.97	0.99	2.1	0.84	0.85	1.4	0.92	0.97	5.2	0.97	0.97	0.6	0.91	0.93	2.3
Jet/Kerosene	0.83	0.85	2.6	1.07	0.95	-11.1	1.21	1.21	0.2	0.90	0.97	7.4	1.05	1.04	-1.4
Diesel	0.74	0.73	-1.6	0.63	0.59	-6.5	0.74	0.72	-2.8	0.76	0.77	1.8	0.71	0.69	-2.2
Other Gasoil	0.56	0.58	3.8	0.58	0.57	-2.8	0.68	0.72	6.4	0.65	0.66	2.3	0.63	0.65	2.2
Residual Fuel Oil	0.68	0.72	7.2	0.70	0.64	-9.7	0.77	0.70	-8.6	0.75	0.66	-11.5	0.74	0.67	-9.9
Direct use of Crude Oil	0.13	0.16	22.5	0.19	0.15	-19.6	0.26	0.19	-26.2	0.22	0.19	-12.4	0.22	0.18	-19.5
Other Products	0.39	0.36	-7.5	0.32	0.32	-2.1	0.36	0.36	-1.2	0.42	0.38	-9.4	0.37	0.35	-4.7
Total	5.71	5.86	2.6	5.89	5.40	-8.2	6.47	6.34	-1.9	6.19	6.20	0.2	6.17	5.98	-3.2
Germany															
LPG	0.09	0.08	-8.4	0.09	0.09	-1.7	0.09	0.09	-2.6	0.09	0.09	0.4	0.09	0.09	-1.2
Naphtha	0.39	0.41	6.1	0.39	0.42	7.5	0.40	0.41	1.1	0.39	0.42	7.1	0.40	0.42	5.3
Motor Gasoline	0.71	0.70	-0.3	0.61	0.55	-10.6	0.65	0.66	0.7	0.75	0.68	-9.3	0.67	0.63	-6.6
Jet/Kerosene	0.14	0.14	4.6	0.13	0.13	2.8	0.13	0.14	6.8	0.14	0.15	7.6	0.13	0.14	5.7
Diesel	0.47	0.51	9.2	0.36	0.34	-4.4	0.42	0.45	5.6	0.54	0.49	-8.9	0.44	0.43	-3.2
Other Gasoil	0.84	0.81	-3.7	0.73	0.64	-12.6	1.19	0.69	-41.9	1.34	0.64	-52.4	1.08	0.65	-39.5
Residual Fuel Oil	0.16	0.15	-9.5	0.15	0.18	17.6	0.16	0.18	14.6	0.16	0.17	4.0	0.16	0.18	11.8
Other Products	0.16	0.14	-11.0	0.12	0.06	-44.5	0.14	0.11	-19.0	0.15	0.11	-27.5	0.14	0.10	-29.6
Total	2.96	2.95	0.0	2.57	2.41	-6.4	3.19	2.72	-14.5	3.56	2.75	-22.9	3.11	2.62	-15.5
Italy															
LPG	0.12	0.12	-3.4	0.15	0.16	8.7	0.15	0.16	3.4	0.13	0.13	3.3	0.14	0.15	5.3
Naphtha	0.10	0.12	10.7	0.09	0.10	11.1	0.08	0.14	74.8	0.08	0.14	80.8	0.08	0.12	53.1
Motor Gasoline	0.45	0.42	-5.2	0.39	0.38	-1.5	0.42	0.42	-1.2	0.44	0.40	-10.6	0.42	0.40	-4.6
Jet/Kerosene	0.08	0.08	-0.4	0.06	0.08	24.0	0.06	0.07	17.2	0.09	0.07	-15.1	0.07	0.07	5.8
Diesel	0.36	0.39	6.4	0.31	0.31	2.2	0.37	0.39	4.5	0.39	0.39	1.7	0.36	0.37	2.9
Other Gasoil	0.25	0.24	-4.4	0.26	0.24	-11.1	0.20	0.23	10.6	0.20	0.18	-8.2	0.22	0.21	-3.9
Residual Fuel Oil	0.51	0.44	-14.0	0.54	0.45	-17.8	0.54	0.45	-16.6	0.47	0.45	-3.5	0.52	0.45	-12.9
Other Products	0.16	0.12	-20.3	0.12	0.07	-41.8	0.14	0.09	-33.5	0.09	0.09	-1.1	0.11	0.08	-27.2
Total	2.03	1.92	-5.3	1.92	1.78	-7.1	1.97	1.94	-1.3	1.88	1.86	-1.1	1.92	1.86	-3.2
France															
LPG	0.14	0.14	-1.4	0.14	0.16	10.4	0.15	0.15	-0.2	0.13	0.13	2.5	0.14	0.15	4.4
Naphtha	0.20	0.18	-13.8	0.19	0.18	-3.2	0.17	0.16	-4.7	0.19	0.19	1.1	0.19	0.18	-2.2
Motor Gasoline	0.33	0.32	-1.3	0.28	0.29	5.3	0.31	0.31	0.8	0.33	0.33	-1.2	0.31	0.31	1.4
Jet/Kerosene	0.12	0.13	8.5	0.12	0.13	3.7	0.13	0.13	3.4	0.13	0.15	12.8	0.13	0.13	6.8
Diesel	0.54	0.57	5.5	0.47	0.51	8.2	0.53	0.56	5.6	0.56	0.58	4.3	0.52	0.55	5.9
Other Gasoil	0.45	0.48	5.3	0.50	0.55	11.2	0.60	0.49	-17.5	0.47	0.42	-10.1	0.52	0.49	-5.7
Residual Fuel Oil	0.17	0.17	-1.4	0.22	0.19	-14.6	0.22	0.22	-0.5	0.19	0.20	5.6	0.21	0.20	-3.7
Other Products	0.14	0.14	-1.8	0.10	0.12	23.5	0.10	0.11	12.8	0.12	0.14	11.1	0.11	0.12	15.4
Total	2.09	2.11	1.2	2.02	2.13	5.6	2.21	2.15	-2.9	2.12	2.14	0.9	2.11	2.14	1.2
United Kingdom															
LPG	0.14	0.16	13.4	0.15	0.14	-6.8	0.15	0.13	-9.8	0.16	0.15	-5.3	0.15	0.14	-7.2
Naphtha	0.08	0.07	-7.6	0.07	0.09	17.9	0.10	0.10	-2.2	0.11	0.08	-26.0	0.09	0.09	-6.2
Motor Gasoline	0.51	0.50	-1.2	0.45	0.46	1.9	0.51	0.49	-3.7	0.52	0.50	-2.9	0.49	0.48	-1.6
Jet/Kerosene	0.29	0.30	1.7	0.29	0.29	1.5	0.30	0.31	4.0	0.29	0.31	5.3	0.29	0.30	3.6
Diesel	0.32	0.32	2.7	0.29	0.28	-1.4	0.33	0.33	0.2	0.32	0.34	4.4	0.31	0.32	1.2
Other Gasoil	0.20	0.17	-11.8	0.19	0.19	0.0	0.22	0.20	-7.9	0.21	0.19	-7.5	0.20	0.19	-5.2
Residual Fuel Oil	0.13	0.09	-29.6	0.12	0.09	-23.7	0.13	0.07	-42.6	0.12	0.08	-33.0	0.12	0.08	-33.1
Other Products	0.16	0.15	-9.9	0.15	0.13	-9.6	0.16	0.16	-2.0	0.14	0.16	13.5	0.15	0.15	0.6
Total	1.82	1.77	-3.1	1.70	1.67	-1.8	1.89	1.79	-5.2	1.87	1.81	-3.0	1.82	1.76	-3.3
Canada															
LPG	0.29	0.29	-3.0	0.31	0.32	2.9	0.34	0.36	5.2	0.29	0.27	-5.3	0.31	0.32	1.2
Naphtha	0.08	0.08	-0.2	0.09	0.08	-13.5	0.09	0.08	-14.4	0.09	0.08	-2.5	0.09	0.08	-10.1
Motor Gasoline	0.64	0.66	3.0	0.59	0.59	0.0	0.63	0.64	1.8	0.63	0.62	-2.4	0.62	0.62	-0.2
Jet/Kerosene	0.10	0.12	16.7	0.10	0.11	4.3	0.10	0.10	2.8	0.10	0.09	-2.1	0.10	0.10	1.7
Diesel	0.17	0.19	10.1	0.16	0.17	5.1	0.16	0.19	15.0	0.16	0.17	7.4	0.16	0.18	9.1
Other Gasoil	0.30	0.31	2.4	0.36	0.35	-1.4	0.36	0.39	8.4	0.35	0.34	-0.6	0.35	0.36	2.0
Residual Fuel Oil	0.19	0.14	-25.1	0.16	0.11	-31.1	0.17	0.13	-24.1	0.16	0.11	-29.9	0.17	0.12	-28.4
Other Products	0.26	0.25	-4.2	0.19	0.19	0.0	0.22	0.22	-3.4	0.23	0.23	0.0	0.22	0.21	-1.1
Total	2.04	2.04	-0.3	1.96	1.92	-2.3	2.07	2.09	1.2	2.01	1.93	-3.7	2.01	1.98	-1.6

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. Gasoil comprises diesel, light heating oil and other gasoils.

2 US figures exclude US territories.

3 In Japan, the breakdown between Diesel and Other Gasoil in the latest month is estimated.

Table 4
WORLD OIL PRODUCTION
(million barrels per day)

	1998	1999	2000	4Q99	1Q00	2Q00	3Q00	4Q00	Mar 00	Apr 00	May 00
OPEC											
Crude Oil											
Saudi Arabia	8.09	7.52		7.45	7.52				7.55	7.73	7.88
Iran	3.63	3.50		3.46	3.57				3.81	3.59	3.59
Iraq	2.11	2.52		2.29	2.32				2.18	2.65	2.98
UAE	2.30	2.07		2.03	2.13				2.22	2.35	2.32
Kuwait	1.81	1.65		1.60	1.63				1.67	1.75	1.78
Neutral Zone	0.56	0.59		0.59	0.60				0.63	0.65	0.61
Qatar	0.66	0.63		0.63	0.65				0.67	0.68	0.69
Nigeria	2.12	1.95		1.95	1.95				1.96	2.01	1.93
Libya	1.47	1.38		1.38	1.36				1.41	1.42	1.41
Algeria	0.82	0.76		0.74	0.76				0.77	0.79	0.80
Venezuela	3.12	2.79		2.75	2.80				2.80	2.85	2.88
Indonesia	1.33	1.27		1.26	1.21				1.25	1.28	1.30
Total Crude Oil	28.03	26.61		26.12	26.51				26.92	27.74	28.16
Total NGLs[1]	2.80	2.83	2.87	2.84	2.84	2.87	2.89	2.91	2.84	2.86	2.88
Total OPEC	30.83	29.44		28.96	29.35				29.76	30.60	31.04
NON-OPEC[2]											
OECD											
North America	14.54	13.99	14.29	14.12	14.25	14.25	14.18	14.46	14.21	14.22	14.32
United States	8.37	8.08	8.10	8.24	8.18	8.10	7.96	8.16	8.19	8.17	8.11
Mexico	3.50	3.35	3.53	3.22	3.43	3.53	3.56	3.61	3.43	3.47	3.55
Canada	2.67	2.56	2.66	2.66	2.65	2.63	2.66	2.70	2.58	2.59	2.65
Europe	6.65	6.76	7.01	7.14	7.07	6.92	6.82	7.24	7.05	6.91	6.93
UK	2.84	2.93	2.90	3.02	2.94	2.88	2.76	3.03	2.91	2.94	2.85
Norway	3.14	3.14	3.36	3.38	3.39	3.28	3.31	3.47	3.36	3.21	3.33
Others	0.67	0.69	0.75	0.74	0.75	0.76	0.75	0.74	0.77	0.76	0.75
Pacific	0.69	0.67	0.89	0.73	0.88	0.89	0.90	0.89	0.87	0.87	0.90
Australia	0.62	0.60	0.83	0.67	0.82	0.83	0.84	0.83	0.81	0.81	0.84
Others	0.07	0.07	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06
Total OECD	21.88	21.41	22.19	21.99	22.20	22.06	21.90	22.59	22.13	22.00	22.15
NON-OECD											
Former USSR	7.30	7.49	7.78	7.61	7.71	7.77	7.81	7.82	7.77	7.78	7.75
Russia	6.12	6.16	6.35	6.22	6.30	6.35	6.38	6.37	6.35	6.36	6.32
Others	1.17	1.34	1.43	1.39	1.41	1.42	1.43	1.45	1.42	1.42	1.42
Asia	5.37	5.41	5.40	5.39	5.41	5.39	5.39	5.40	5.37	5.38	5.41
China	3.19	3.19	3.25	3.17	3.26	3.25	3.24	3.23	3.26	3.25	3.25
Malaysia	0.72	0.71	0.68	0.72	0.68	0.66	0.67	0.69	0.66	0.66	0.66
India	0.75	0.75	0.70	0.72	0.71	0.71	0.70	0.69	0.71	0.71	0.71
Others	0.70	0.77	0.77	0.79	0.76	0.78	0.78	0.78	0.74	0.76	0.79
Europe	0.20	0.19	0.18	0.19	0.18	0.18	0.18	0.18	0.18	0.18	0.18
Latin America	3.65	3.78	3.75	3.78	3.73	3.72	3.76	3.79	3.73	3.69	3.73
Brazil	1.23	1.36	1.46	1.40	1.42	1.45	1.48	1.51	1.43	1.44	1.45
Argentina	0.90	0.85	0.82	0.83	0.82	0.82	0.82	0.81	0.82	0.82	0.82
Colombia	0.77	0.83	0.72	0.80	0.74	0.72	0.72	0.72	0.74	0.70	0.73
Ecuador	0.38	0.38	0.39	0.39	0.38	0.38	0.39	0.40	0.38	0.37	0.38
Others	0.37	0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.36
Middle East[3]	1.90	1.89	1.94	1.92	1.92	1.95	1.95	1.95	1.93	1.95	1.95
Oman	0.90	0.90	0.94	0.91	0.91	0.95	0.95	0.95	0.92	0.94	0.95
Syria	0.55	0.54	0.52	0.53	0.53	0.52	0.52	0.51	0.53	0.52	0.52
Yemen	0.40	0.41	0.44	0.43	0.44	0.44	0.44	0.44	0.44	0.44	0.44
Africa	2.76	2.81	2.98	2.91	2.96	2.98	2.99	2.98	2.97	2.97	2.98
Egypt	0.88	0.85	0.82	0.84	0.83	0.83	0.82	0.81	0.83	0.83	0.83
Angola	0.73	0.76	0.83	0.77	0.81	0.83	0.85	0.84	0.82	0.82	0.83
Gabon	0.35	0.34	0.34	0.34	0.35	0.35	0.34	0.33	0.35	0.35	0.35
Others	0.79	0.86	0.98	0.96	0.97	0.98	0.98	1.00	0.98	0.98	0.98
Total Non-OECD	21.16	21.57	22.03	21.80	21.91	22.00	22.08	22.12	21.95	21.95	22.00
Processing Gains[4]	1.64	1.67	1.72	1.69	1.74	1.70	1.70	1.74	1.74	1.70	1.70
TOTAL NON-OPEC	44.68	44.65	45.93	45.48	45.85	45.75	45.67	46.44	45.81	45.64	45.84
TOTAL SUPPLY	75.50	74.09		74.44	75.20				75.57	76.24	76.88

1 includes condensates reported by OPEC countries, oil from non-conventional sources, e.g. Orimulsion, and non-oil inputs to Saudi Arabian MTBE
2 comprises crude oil, condensates, NGLs and oil from non-conventional sources
3 includes small amounts of production from Israel, Jordan and Bahrain
4 net of volumetric gains and losses in refining (excludes net gain/loss in FSU, China and non-OECD Europe) and marine transportation losses

Table 4A
OIL SUPPLY IN OECD COUNTRIES[1]

(thousand of barrels per day)

	1998	1999	2000	4Q99	1Q00	2Q00	3Q00	4Q00	Mar00	Apr00	May00
United States											
Alaska	1175	1050	971	1050	1022	964	886	1013	1011	1016	975
California	904	840	809	839	826	815	804	792	821	819	816
Texas	1383	1238	1186	1234	1218	1197	1176	1155	1210	1204	1196
Federal Gulf of Mexico[2]	1231	1337	1465	1402	1385	1467	1462	1545	1443	1468	1466
Other US Lower 48	1563	1398	1342	1373	1366	1350	1334	1318	1361	1355	1351
NGLs[3]	1753	1834	1935	1944	1968	1915	1908	1947	1983	1916	1915
Other Hydrocarbons	362	386	387	395	389	387	386	385	363	389	392
Total	8370	8082	8096	8238	8175	8095	7956	8157	8191	8168	8109
Canada											
Alberta Light/Medium/Heavy	858	784	763	788	776	758	763	755	774	733	770
Alberta Bitumen	282	244	248	249	247	244	250	251	252	236	247
Saskatchewan	399	374	401	398	401	401	401	401	395	402	402
Other Crude	171	187	232	206	232	226	235	236	237	208	234
NGLs	655	649	675	681	695	655	656	696	690	663	653
Synthetic Crudes	308	323	340	332	299	347	353	359	235	344	347
Total	2673	2560	2659	2656	2650	2631	2658	2698	2582	2586	2654
Mexico											
Crude	3071	2906	3096	2803	2977	3095	3134	3177	2998	3041	3122
NGLs	425	439	435	420	449	429	430	430	436	428	430
Total	3495	3345	3531	3223	3427	3525	3564	3607	3434	3469	3552
UK Offshore[4]											
Brent Fields	398	414	367	411	397	384	330	358	401	381	387
Forties Fields	855	904	846	887	864	818	791	911	854	836	807
Ninian Fields	210	154	145	154	155	149	138	136	152	152	148
Flotta Fields	210	201	186	203	193	186	177	186	188	193	186
Other Fields	840	928	1048	994	994	1047	1051	1100	1006	1045	1043
NGLs	221	238	237	282	253	238	195	262	234	255	245
Total	2735	2839	2828	2933	2856	2823	2682	2953	2835	2861	2817
Norway [4]											
Ekofisk-Ula Area	476	452	452	463	463	455	446	445	461	459	453
Oseberg-Troll Area	796	672	746	706	730	743	744	764	734	745	743
Statfjord-Gullfaks Area	1082	1017	949	1033	996	910	896	992	963	818	1029
Haltenbanken Area	534	695	784	787	767	723	815	829	757	738	661
Sleipner-Frigg Area	120	179	320	268	312	331	308	330	333	331	331
NGLs	128	121	113	120	122	116	103	113	116	117	116
Total	3136	3136	3364	3378	3390	3278	3313	3472	3364	3209	3333
Other OECD Europe											
Other N Sea Crude/NGLs[5]	285	346	407	393	403	414	406	405	419	420	413
UK Onshore	105	88	73	88	79	61	78	76	77	77	28
Italy	105	82	73	78	70	73	74	74	85	70	73
Turkey	62	59	57	61	57	57	57	57	56	57	56
Other	172	150	146	145	148	147	145	143	146	147	148
NGLs (excl. North Sea)	22	24	33	29	34	34	33	33	37	33	34
Non-Conventional Oils	28	31	33	36	34	33	32	32	31	34	32
Total	779	780	822	829	824	818	825	819	851	838	785
Australia											
Gippsland Basin	178	210	196	201	201	194	195	193	200	188	197
Cooper-Eromanga Basin	32	25	20	22	21	20	20	19	21	21	20
Carnarvon Basin	307	245	334	285	332	333	338	334	308	318	341
Other Crude	28	51	199	85	186	201	205	205	201	201	201
NGLs	70	72	78	74	77	80	80	75	77	80	80
Total	616	602	827	668	818	828	838	825	807	808	839
Other OECD Pacific											
New Zealand	46	42	34	37	34	34	34	33	35	34	34
Japan	9	8	7	7	7	7	7	7	7	7	7
NGLs	13	15	17	15	17	17	17	17	17	17	17
Synthetic Fuels	4	4	4	4	4	4	4	4	4	4	4
Total	72	68	62	64	63	62	62	61	63	62	63
OECD											
Crude Oil	17877	17268	17893	17645	17851	17797	17692	18231	17895	17713	17878
NGLs	3298	3400	3532	3575	3626	3493	3431	3580	3598	3518	3499
Non-Conventional Oils	702	743	763	767	726	770	775	781	633	770	775
Total	21877	21412	22189	21988	22204	22060	21898	22592	22127	22001	22152

1 subcategories refer to crude oil only unless otherwise noted
2 only production from Federal waters is included
3 to the extent possible, condensates from natural gas processing plants are included with NGLs, while field condensates are counted as crude oil
4 North Sea production is grouped by area including all fields being processed through the named facility, ie, not just the field of that name
5 other North Sea NGLs is included

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			
	Dec1999	Jan2000	Feb2000	Mar2000	Apr2000*	Apr1997	Apr1998	Apr1999	2Q1999	3Q1999	4Q1999	1Q2000
North America												
Crude	379	382	384	391	403	409	447	430	-0.09	-0.32	-0.28	0.13
Gasoline	220	238	231	233	231	229	246	253	-0.08	-0.13	-0.13	0.14
Middle Distillate	200	186	183	171	170	169	205	208	0.10	0.17	-0.32	-0.32
Residual Fuel Oil	44	43	42	43	44	48	47	48	0.04	-0.02	-0.07	-0.01
Total Products[3]	609	602	588	582	594	595	665	679	0.23	0.01	-0.88	-0.30
Total[4]	1125	1120	1110	1112	1138	1150	1262	1262	0.17	-0.36	-1.32	-0.14
Europe												
Crude	323	323	325	333	318	341	351	387	-0.17	-0.15	-0.19	0.10
Gasoline	127	137	135	128	132	130	139	136	-0.14	-0.03	0.01	0.01
Middle Distillate	223	236	230	218	223	219	250	252	0.38	0.02	-0.52	-0.06
Residual Fuel Oil	83	85	81	80	83	90	85	83	-0.06	0.07	0.00	-0.03
Total Products[3]	523	551	538	518	531	524	564	557	0.14	0.11	-0.51	-0.07
Total[4]	906	937	926	917	914	929	976	1005	-0.01	-0.09	-0.66	0.06
Pacific												
Crude	173	163	171	170	182	195	184	174	0.08	-0.02	-0.15	-0.03
Gasoline	25	26	26	26	28	28	28	29	0.01	-0.03	0.00	0.02
Middle Distillate	80	79	62	58	65	78	70	64	0.10	0.15	-0.03	-0.25
Residual Fuel Oil	21	22	22	22	23	27	26	23	0.00	0.01	-0.02	0.01
Total Products[3]	189	190	172	162	175	201	182	177	0.12	0.21	-0.10	-0.30
Total[4]	438	432	423	409	439	490	457	434	0.19	0.18	-0.29	-0.31
Total												
Crude	875	868	880	894	904	944	982	991	-0.19	-0.49	-0.61	0.20
Gasoline	372	402	392	387	391	387	413	418	-0.22	-0.19	-0.12	0.17
Middle Distillate	502	502	475	446	457	466	525	524	0.58	0.33	-0.86	-0.62
Residual Fuel Oil	148	150	145	146	150	165	158	154	-0.02	0.06	-0.09	-0.03
Total Products[3]	1321	1344	1297	1261	1300	1319	1411	1413	0.49	0.33	-1.50	-0.67
Total[4]	2469	2489	2459	2438	2491	2569	2695	2701	0.35	-0.27	-2.27	-0.39

OECD GOVERNMENT-CONTROLLED STOCKS[5,6] AND QUARTERLY STOCK CHANGES

	RECENT MONTHLY STOCKS[2] in Million Barrels					PRIOR YEARS' STOCKS[2] in Million Barrels			STOCK CHANGES in mb/d			
	Dec1999	Jan2000	Feb2000	Mar2000	Apr2000*	Apr1997	Apr1998	Apr1999	2Q1999	3Q1999	4Q1999	1Q2000
North America												
Crude	567	568	569	569	569	563	563	572	0.03	0.01	-0.09	0.02
Europe												
Crude	149	149	146	146	146	136	119	148	0.01	0.00	0.00	-0.07
Products	197	200	201	202	202	198	204	212	0.02	-0.11	-0.03	0.05
Pacific												
Crude	315	315	315	315	315	307	315	315	0.00	0.00	0.00	0.00
Total												
Crude	1031	1033	1030	1031	1031	1007	997	1036	0.05	0.01	-0.09	-0.04
Products	197	200	201	202	202	198	204	212	0.02	-0.11	-0.03	0.05
Total[4]	1228	1234	1232	1234	1234	1205	1201	1248	0.06	-0.11	-0.13	0.00

* estimated
1 stocks are primary national territory stocks on land (excluding utility stocks and including pipeline and entrepot stocks where known) and 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
6 Korean government stocks are excluded for reasons of confidentiality

Table 6

INDUSTRY STOCKS[1] ON LAND IN SELECTED COUNTRIES

(million barrels)

	November			December			January			February			March		
	1998	1999	%	1998	1999	%	1999	2000	%	1999	2000	%	1999	2000	%
United States															
Crude	335.3	297.1	-11.4	323.5	284.4	-12.1	332.6	286.0	-14.0	334.1	288.6	-13.6	344.7	296.9	-13.9
Motor Gasoline	212.2	201.9	-4.8	215.6	190.3	-11.7	233.2	208.2	-10.7	229.1	201.5	-12.0	216.5	204.3	-5.6
Middle Distillate	207.7	188.0	-9.5	207.7	168.9	-18.7	199.0	154.2	-22.5	193.2	151.0	-21.8	172.1	139.9	-18.7
Residual Fuel Oil	42.7	40.2	-5.8	44.9	35.9	-20.2	43.8	35.8	-18.4	42.1	34.3	-18.6	39.6	35.8	-9.6
Other Products	159.9	131.6	-17.7	147.9	116.3	-21.3	137.1	105.5	-23.0	134.8	101.9	-24.4	135.9	105.6	-22.3
Total Products	622.6	561.8	-9.8	616.1	511.4	-17.0	613.2	503.7	-17.9	599.2	488.7	-18.4	564.2	485.7	-13.9
Other[2]	145.4	135.0	-7.2	135.9	123.1	-9.5	130.5	120.9	-7.4	130.5	123.5	-5.3	139.0	125.7	-9.6
Total	1103.3	993.9	-9.9	1075.6	918.9	-14.6	1076.4	910.5	-15.4	1063.8	900.8	-15.3	1047.9	908.2	-13.3
Japan															
Crude	146.0	132.0	-9.6	138.0	125.1	-9.4	129.8	117.9	-9.2	125.4	123.7	-1.3	137.3	126.0	-8.2
Motor Gasoline	13.1	14.4	9.9	12.6	13.2	4.4	14.9	14.4	-3.9	15.5	14.0	-9.7	15.2	14.8	-2.7
Middle Distillate	58.9	62.1	5.6	50.0	50.7	1.4	50.1	51.1	1.9	44.1	37.6	-14.8	38.8	33.2	-14.4
Residual Fuel Oil	12.1	9.5	-21.4	12.5	9.8	-21.9	11.9	9.7	-18.5	11.3	9.3	-17.7	10.8	9.9	-8.3
Other Products	53.4	53.4	0.1	48.5	49.1	1.2	47.9	44.9	-6.3	47.2	43.3	-8.3	44.6	41.1	-7.9
Total Products	137.4	139.4	1.5	123.6	122.7	-0.7	124.9	120.0	-3.9	118.2	104.2	-11.8	109.4	99.0	-9.5
Other[2]	76.8	72.7	-5.3	72.2	65.8	-8.8	74.9	68.9	-8.1	73.8	70.2	-5.0	72.4	66.0	-8.8
Total	360.2	344.2	-4.4	333.8	313.6	-6.0	329.6	306.8	-6.9	317.4	298.1	-6.1	319.1	291.0	-8.8
Germany															
Crude	29.0	19.6	-32.5	28.4	19.7	-30.6	30.3	20.8	-31.2	29.4	20.5	-30.3	26.4	20.2	-23.6
Motor Gasoline	11.2	12.2	8.7	11.3	11.0	-3.0	13.8	14.4	4.8	13.2	13.5	2.6	10.5	10.6	1.5
Middle Distillate	19.9	18.3	-7.8	19.4	19.2	-1.1	24.1	23.9	-0.8	17.4	21.4	23.5	11.7	18.3	56.2
Residual Fuel Oil	9.1	8.5	-6.4	10.3	9.0	-12.2	10.1	10.1	-0.4	9.4	9.4	0.6	9.6	8.3	-12.8
Other Products	12.3	13.2	7.0	13.0	12.1	-6.8	13.0	12.2	-6.3	13.6	12.1	-10.6	12.4	12.1	-1.7
Total Products	52.5	52.2	-0.6	54.0	51.3	-5.0	61.0	60.6	-0.7	53.5	56.5	5.7	44.1	49.5	12.1
Other[2]	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	81.5	71.8	-11.9	82.4	71.1	-13.8	91.3	81.4	-10.8	82.8	77.0	-7.1	70.5	69.6	-1.3
Italy															
Crude	38.7	36.8	-5.1	36.1	34.5	-4.3	35.2	38.1	8.2	34.0	34.6	1.8	40.0	39.3	-1.7
Motor Gasoline	30.6	31.6	3.1	30.1	30.4	1.0	31.6	30.8	-2.4	31.9	31.0	-2.9	30.3	30.5	0.7
Middle Distillate	35.4	28.7	-18.9	35.1	28.2	-19.5	36.3	28.3	-22.2	31.1	27.6	-11.0	28.8	25.9	-10.0
Residual Fuel Oil	20.1	18.3	-8.9	20.0	17.4	-13.0	19.3	18.1	-5.9	18.0	18.5	2.6	18.1	19.5	7.8
Other Products	8.0	9.2	14.9	7.9	9.3	17.3	7.7	10.3	33.6	7.8	10.8	38.9	8.6	10.8	25.3
Total Products	94.2	87.8	-6.7	93.0	85.3	-8.4	94.9	87.5	-7.8	88.8	87.9	-1.0	85.8	86.7	1.1
Other[2]	6.7	8.4	25.1	6.2	10.6	69.8	7.0	10.3	47.8	6.1	9.3	53.9	5.6	10.3	84.3
Total	139.6	133.0	-4.7	135.4	130.4	-3.7	137.0	135.9	-0.9	128.8	131.9	2.4	131.4	136.3	3.8
France															
Crude	34.6	38.3	10.6	40.2	37.6	-6.6	42.5	35.1	-17.2	41.3	34.8	-15.7	50.3	39.7	-21.1
Motor Gasoline	14.8	13.7	-7.8	16.8	15.4	-8.5	19.8	15.6	-21.2	20.4	15.4	-24.2	18.0	14.4	-20.3
Middle Distillate	39.0	36.4	-6.6	42.3	32.8	-22.6	44.0	36.9	-16.2	39.1	35.2	-10.0	36.5	34.1	-6.6
Residual Fuel Oil	6.5	7.0	8.1	6.9	6.1	-11.8	7.7	8.0	3.9	6.8	8.4	23.1	7.2	7.5	4.3
Other Products	9.1	8.8	-3.5	8.7	8.8	1.2	9.1	8.8	-3.1	8.8	8.7	-2.1	9.4	9.0	-4.6
Total Products	69.5	65.9	-5.1	74.6	63.0	-15.6	80.6	69.3	-14.0	75.2	67.7	-9.9	71.2	65.0	-8.7
Other[2]	12.3	13.1	6.5	12.7	11.7	-7.4	12.5	11.0	-11.9	12.6	12.0	-5.0	10.6	11.9	12.0
Total	116.4	117.4	0.8	127.5	112.3	-12.0	135.5	115.4	-14.8	129.0	114.4	-11.3	132.0	116.5	-11.8
United Kingdom															
Crude	32.0	40.3	25.9	37.3	39.3	5.2	37.8	37.5	-1.0	37.9	40.1	5.6	36.4	39.1	7.3
Motor Gasoline	11.8	11.5	-3.0	11.5	10.4	-9.2	14.2	11.4	-19.8	13.9	10.6	-23.7	14.0	10.3	-26.3
Middle Distillate	20.0	17.8	-11.2	22.4	20.0	-10.7	21.4	20.9	-2.5	20.8	20.9	0.8	22.0	20.4	-7.0
Residual Fuel Oil	5.1	5.8	15.1	5.4	6.0	12.6	6.4	5.5	-13.9	5.8	5.1	-12.3	5.8	5.3	-8.8
Other Products	11.1	13.1	17.7	13.2	12.6	-4.5	12.6	12.8	1.6	12.3	13.3	8.5	12.6	13.5	7.2
Total Products	48.0	48.2	0.3	52.5	49.1	-6.4	54.6	50.6	-7.4	52.7	50.0	-5.3	54.3	49.5	-8.9
Other[2]	15.0	11.6	-22.9	13.9	12.8	-8.3	13.6	13.0	-4.5	14.1	12.8	-9.1	14.2	13.5	-5.2
Total	95.1	100.1	5.2	103.7	101.2	-2.5	106.1	101.0	-4.7	104.8	102.8	-1.9	104.9	102.0	-2.8
Canada[3]															
Crude	60.5	69.0	13.9	59.0	68.1	15.4	60.9	66.0	8.5	61.8	66.0	6.8	64.2	66.0	2.9
Motor Gasoline	16.7	16.1	-3.5	17.5	16.6	-5.0	18.8	16.6	-11.5	19.8	16.6	-16.1	20.5	16.6	-18.8
Middle Distillate	23.0	22.7	-1.1	24.2	22.8	-5.9	24.1	22.8	-5.2	23.4	22.8	-2.4	23.7	22.8	-3.8
Residual Fuel Oil	4.4	3.8	-15.1	4.1	3.4	-19.3	4.8	3.4	-29.8	4.8	3.4	-30.1	4.7	3.4	-29.3
Other Products	21.0	21.2	0.9	19.1	21.2	11.1	20.0	21.2	6.1	21.0	21.2	1.3	21.4	21.2	-0.7
Total Products	65.1	63.8	-2.0	65.0	64.0	-1.5	67.7	64.0	-5.3	68.9	64.0	-7.1	70.3	64.0	-8.9
Other[2]	19.4	14.5	-25.3	17.8	14.5	-18.7	14.0	14.5	3.7	12.0	14.5	21.1	14.5	14.5	0.3
Total	145.1	147.3	1.5	141.8	146.6	3.4	142.5	144.6	1.4	142.7	144.6	1.3	149.0	144.6	-2.9

1 stocks are primary national territory stocks on land (excluding utilitity stocks and including pipeline and entrepot stocks where known) and 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

3 Canada August 1999 to March 2000 data are partially estimated

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

	End March 1999		End June 1999		End September 1999		End December 1999		End March 2000 [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
North America										
Canada	149.0	76	147.7	72	144.1	71	146.6	-	-	-
Mexico	44.7	23	44.5	23	46.6	23	37.4	-	-	-
United States	1619.8	85	1639.7	83	1608.9	81	1486.2	-	-	-
Total	1835.5	79	1854.1	77	1821.7	75	1692.3	73	1681.6	71
Pacific										
Australia	39.7	46	41.6	48	40.4	44	37.0	-	-	-
Japan	634.2	126	638.1	122	651.8	111	628.7	-	-	-
Korea[5]	62.7	34	73.6	38	75.8	34	76.3	-	-	-
New Zealand	9.4	69	9.8	85	11.4	82	10.7	-	-	-
Total	745.9	95	763.0	94	779.4	86	752.6	81	724.2	90
Europe[6]										
Austria	19.3	76	21.1	81	20.0	75	19.6	-	-	-
Belgium	28.7	53	31.9	62	31.7	54	25.8	-	-	-
Czech Republic	14.9	77	13.6	75	13.2	72	15.1	-	-	-
Denmark	21.6	101	22.2	103	22.2	97	18.3	-	-	-
Finland	23.0	111	24.1	116	23.1	104	23.2	-	-	-
France	174.7	92	172.3	88	168.8	80	160.3	-	-	-
Germany	308.3	121	312.1	114	302.4	102	289.6	-	-	-
Greece	32.6	93	29.2	82	29.5	72	23.9	-	-	-
Hungary	22.0	166	22.3	143	21.6	131	21.2	-	-	-
Ireland	9.2	58	10.3	65	11.3	64	10.8	-	-	-
Italy	131.4	76	128.6	71	132.3	69	130.4	-	-	-
Luxembourg	1.0	22	1.0	22	1.0	19	0.6	-	-	-
Netherlands	115.3	135	117.0	145	112.4	131	96.0	-	-	-
Norway	55.2	260	56.3	248	52.4	221	52.5	-	-	-
Poland	11.7	30	13.0	31	11.8	27	12.2	-	-	-
Portugal	21.0	63	23.1	68	22.3	69	22.0	-	-	-
Spain	106.7	79	107.6	79	108.6	76	106.4	-	-	-
Sweden	34.5	96	36.5	115	35.1	94	33.4	-	-	-
Switzerland	44.1	165	43.5	166	44.9	156	40.9	-	-	-
Turkey	53.0	88	51.8	83	50.4	78	49.2	-	-	-
United Kingdom	104.9	62	98.2	57	101.8	58	101.2	-	-	-
Total	1333.2	93	1335.5	91	1316.6	84	1252.4	83	1266.3	86
Total OECD	3914.6	86	3952.7	84	3917.8	80	3697.3	77	3672.1	79
DAYS OF IEA Net Imports[7]	-	121	-	122	-	121	-	112	-	111

1 stocks are primary national territory stocks on land (excluding utility stocks and including pipeline and entrepot stocks where known) they include stocks held by industry to meet IEA, EU and national emergency reserves commitments and are subject to government control in emergencies
2 note that days of forward demand represent the stock level divided by the forward quarter average daily demand and is very different from the days of net imports used in the IEA's Emergency Sharing System
3 end March 2000 stock level based on preliminary data
4 end March 2000 forward demand figures are IEA Secretariat forecasts
5 Korean government stocks are excluded for reasons of confidentiality
6 data not available for Iceland
7 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[1,2] controlled	Industry	Total	Government[1,2] controlled	Industry
	Millions of Barrels			Days of Fwd. Demand[3]		
1Q1997	3783	1204	2579	83	26	57
2Q1997	3807	1204	2602	82	26	56
3Q1997	3851	1203	2648	80	25	55
4Q1997	3850	1202	2648	82	25	56
1Q1998	3840	1200	2640	85	26	58
2Q1998	3997	1224	2773	86	26	60
3Q1998	4031	1234	2797	84	26	58
4Q1998	3976	1245	2732	82	26	56
1Q1999	3915	1244	2671	86	27	59
2Q1999	3953	1250	2703	84	27	58
3Q1999	3918	1240	2678	80	25	55
4Q1999	3697	1228	2469	77	26	52
1Q2000	3672	1234	2438	79	27	52

1 includes government-owned stocks and stock holding organisation stocks held for emergency purposes
2 Korean government stocks are excluded for reasons of confidentiality
3 days of forward demand calculated using actual demand except in 1Q2000 (when latest forecasts are used)

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

($/bbl)

	1997	1998	1999	1Q99	2Q99	3Q99	4Q99	1Q00	Dec 99	Jan 00	Feb 00	Mar 00	Apr 00[r]	May 00
CRUDE OIL PRICES														
*IEA CIF Average Import**	19.11	12.52	17.26	10.96	15.11	19.54	23.48	26.77	24.88	25.49	27.07	27.79		
FOB Spot														
Brent (Dated)	19.12	12.76	17.86	11.26	15.46	20.64	24.06	26.94	25.58	25.65	27.95	27.22	22.59	27.70
WTI (1st month)	20.62	14.40	19.25	13.05	17.64	21.73	24.57	28.87	26.06	27.40	29.43	29.78	25.69	28.92
Urals (Del. Med.)	18.33	11.83	17.18	10.65	14.37	20.09	23.62	26.15	25.46	25.19	27.49	25.78	21.14	26.52
Dubai (1st month)	18.15	12.18	17.20	11.04	15.28	19.80	22.70	24.42	23.60	23.45	24.73	25.08	22.06	25.85
OPEC Basket*	18.68	12.28	17.47	10.99	15.38	20.01	23.42	26.11	24.77	24.58	26.84	26.72	22.90	26.94
PRODUCT PRICES[1]														
Rotterdam, Barges FOB														
Unleaded Premium[2]	24.06	17.56	21.81	14.19	19.34	25.51	28.21	32.90	29.44	28.80	32.94	36.97	34.02	39.35
Regular Unleaded	23.03	16.54	20.80	13.21	18.26	24.49	27.25	31.91	28.52	27.98	31.82	35.92	33.05	36.91
Naphtha	21.43	14.64	18.68	11.44	16.67	21.84	24.75	29.19	24.50	27.16	29.62	30.81	24.60	27.87
Jet/Kerosene	24.58	17.16	22.04	14.96	19.05	24.60	29.56	33.23	33.22	32.57	32.90	34.23	32.99	32.10
Gasoil	23.39	16.19	20.06	14.09	16.82	22.58	26.75	30.23	28.59	29.53	30.33	30.83	28.67	30.25
Fuel Oil 1.0%S	15.47	11.73	14.75	10.03	12.41	16.76	19.81	21.76	20.08	20.27	21.95	23.07	19.83	20.28
Fuel Oil 3.5%S	14.59	10.20	14.41	9.34	11.56	16.94	19.81	21.28	19.65	19.79	20.83	23.23	19.01	19.48
Gross Product Worth[3]	21.74	15.19	19.25	12.82	16.53	22.22	25.42	29.22	26.84	27.50	29.32	30.82	27.88	30.50
Brent Cracking Margin	1.41	1.34	0.30	0.41	0.00	0.59	0.19	0.80	-0.09	0.58	-0.20	2.01	3.89	1.25
Mediterranean - Basis Italy, Cargoes FOB														
Premium 0.15 g/l	24.29	17.86	22.75	14.60	20.10	27.16	29.13	33.75	30.32	29.15	33.90	38.20	34.53	39.97
Naphtha	20.10	13.54	17.66	10.18	15.61	20.96	23.88	27.92	23.62	26.02	28.34	29.42	23.20	26.50
Jet/Kerosene	22.19	14.99	20.55	13.25	17.49	23.15	28.31	31.91	32.67	31.73	31.45	32.54	31.32	29.68
Gasoil	22.04	14.83	19.05	12.75	15.43	21.79	26.24	29.73	28.26	28.65	30.38	30.15	27.12	29.37
Fuel Oil 1.0%S	15.48	10.96	14.11	9.76	11.56	16.62	18.50	22.12	18.58	20.96	22.54	22.85	19.67	20.81
Fuel Oil 3.5%S	13.45	9.14	13.20	8.36	10.35	15.70	18.40	20.34	18.32	18.75	20.01	22.26	17.93	17.22
Gross Product Worth[4]	20.50	14.25	18.51	12.06	15.56	21.62	24.78	28.38	25.98	26.29	28.68	30.17	26.61	29.06
Urals Cracking Margin	1.85	2.07	1.00	1.05	0.85	1.22	0.86	1.93	0.23	0.80	0.90	4.10	5.16	2.25
NYHarbour, Barges														
Premium Unleaded 93	27.16	19.59	24.48	16.50	22.85	28.98	29.57	35.49	30.59	32.44	35.83	38.19	31.92	41.82
Regular Unleaded 87	25.22	17.80	22.71	15.14	20.56	26.76	28.38	33.77	29.63	29.76	34.21	37.34	30.45	37.38
Jet/Kerosene	24.58	18.03	21.74	14.91	18.77	24.71	28.57	37.25	30.88	41.45	35.77	34.53	32.22	33.41
No.2 (Heating Oil)	23.64	16.43	20.45	14.35	17.83	23.08	26.55	35.55	27.99	37.65	36.61	32.39	30.84	31.71
Fuel Oil 1.0%S (Cargo)	16.91	12.32	15.47	10.38	13.85	18.23	19.40	21.90	19.20	21.88	22.75	21.07	20.96	24.56
Fuel Oil 3.0%S (Cargo)	15.25	10.25	13.96	8.86	11.94	16.53	18.49	19.99	18.56	19.31	20.15	20.49	19.31	20.16
Gross Product Worth[5]	23.18	16.75	20.67	14.23	19.11	23.97	25.39	30.74	26.13	28.59	31.16	32.46	29.74	34.07
WTI Cracking Margin	1.46	1.25	0.32	0.08	0.37	1.13	-0.28	0.76	-1.03	0.09	0.62	1.57	2.94	4.06
Singapore, Cargoes														
Gasoline[6]	24.57	17.19	21.02	14.59	18.94	25.22	25.33	30.66	25.41	28.30	31.11	32.58	27.90	32.00
Naphtha	21.92	14.84	19.39	12.41	17.11	22.87	25.17	27.03	25.02	24.97	27.05	29.08	24.98	27.34
Jet/Kerosene	24.97	16.36	21.43	14.99	18.65	24.49	27.60	31.59	29.51	31.28	31.11	32.37	27.97	29.02
Gasoil	24.28	15.47	19.13	13.70	16.98	21.26	24.59	30.31	25.62	28.16	29.84	32.94	26.76	27.98
LSWR (0.3%S)[7]	16.92	10.98	15.50	9.94	13.78	17.26	21.03	23.62	21.41	21.59	23.43	25.85	24.52	26.46
HSFO (3.5%S 180cst)	15.93	10.65	15.70	9.88	13.27	17.85	21.79	23.21	21.90	21.05	22.19	26.38	23.68	25.20
HSFO (3.5%S 380cst)	15.10	10.09	15.14	9.29	12.56	17.33	21.39	22.48	21.51	20.47	21.66	25.31	22.96	24.12
Gross Product Worth[8]	22.04	14.65	18.74	12.87	16.53	21.53	24.01	28.25	24.52	26.14	27.94	30.66	25.95	28.07
Dubai Cracking Margin	2.30	1.01	0.95	1.07	0.76	1.20	0.75	3.25	0.35	2.12	2.62	4.99	3.34	1.63

r revisions

* IEA CIF Average Import price for March and OPEC Basket for May are estimates

1 product prices are mean values and 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%S LSFO and 6.31 bbl/MT for 3.5%S HSFO. Singapore: 6.46 bbl/MT for 3.5%S HSFO.

2 as of January 2000, Premium 0.15 g/l prices will be substituted by Unleaded Premium prices.

3 calculated using Brent cracking yield of a typical refinery in Rotterdam.

4 calculated using Urals cracking yield of a typical refinery in the Mediterranean.

5 calculated using WTI cracking yield of a typical refinery in US Gulf Coast.

6 changed from regular 0.15 g/l to unleaded 95 as of 2 February 1995.

7 as from 1 April 1996 mixed/cracked LSWR fob Indonesia

8 calculated using Dubai cracking yield of a typical refinery in Singapore.

Table 9
END USER PRICES FOR PETROLEUM PRODUCTS[1]
May 2000

	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	7.160	5.090	0.5	1.5	16.7	69.7	0.986	0.285	-4.0	-3.0	-0.8	44.3
Germany	1.857	1.356	-0.5	-1.6	14.3	38.8	0.858	0.232	-4.9	-5.9	-2.8	18.0
Italy	2056	1350	1.0	2.5	11.2	43.6	0.959	0.329	-3.4	-2.0	-5.5	22.1
Spain	135.5	80.5	1.7	3.6	18.7	50.4	0.736	0.299	-2.8	-0.9	1.0	27.9
UK	0.777	0.588	-0.8	-2.6	11.0	52.4	1.174	0.285	-5.3	-7.0	3.8	42.5
Japan	105.0	58.8	0.0	0.0	11.1	27.6	0.969	0.426	-2.6	-2.6	25.2	43.8
Canada	0.707	0.302	4.1	6.6	24.5	45.7	0.474	0.272	2.7	5.1	22.2	43.0
USA	0.403	0.102	1.3	1.7	29.6	43.3	0.403	0.301	1.3	1.7	29.6	43.3
AUTOMOTIVE DIESEL[3] (Price per Litre)												
France	4.342	2.502	0.0	0.0	19.2	61.4	0.598	0.253	-4.4	-4.4	1.4	37.2
Germany	1.191	0.740	0.4	1.1	19.1	40.9	0.550	0.208	-4.0	-3.4	1.3	19.8
Italy	1378	739	1.0	2.1	12.8	45.0	0.643	0.298	-3.5	-2.4	-4.1	23.3
Spain	95.79	44.90	-0.9	-1.7	20.9	48.2	0.520	0.276	-5.3	-6.0	2.8	26.0
UK	0.700	0.502	-1.0	-3.4	12.5	65.0	1.057	0.299	-5.5	-7.8	5.2	54.3
Japan	85.1	36.2	0.0	0.0	8.0	14.0	0.785	0.451	-2.6	-2.6	21.6	28.4
Canada	0.651	0.233	-0.2	0.0	25.4	40.7	0.437	0.281	-1.5	-1.3	23.2	38.2
USA	0.371	0.118	-0.3	-0.4	31.6	52.4	0.371	0.253	-0.3	-0.4	31.6	52.4
DOMESTIC HEATING OIL (Price per 1000 Litres)												
France	2937.5	1027.5	5.2	6.7	48.0	70.5	404.7	263.1	0.5	2.0	25.8	45.0
Germany	713.3	218.4	5.0	6.3	55.0	78.9	329.6	228.7	0.3	1.6	31.8	52.1
Italy	1573000	1001231	0.8	1.8	13.2	51.8	734.0	266.8	-3.7	-2.7	-3.7	29.0
Spain	65153	22084	2.4	3.2	49.2	75.5	353.9	233.9	-2.1	-1.3	26.9	49.2
UK	188.85	39.29	2.6	3.1	45.0	59.6	285.3	225.9	-2.1	-1.6	35.6	49.2
Japan[4]	46095	2195	0.5	0.5	12.0	12.0	425.2	405.0	-2.1	-2.1	26.1	26.1
Canada	-	-	-	-	-	-	-	-	-	-	-	-
USA[5]	339.7	-	-5.4	-	50.8	-	339.7	-	-5.4	-	50.8	-
HFO FOR INDUSTRY[3, 6] (Price per Metric Ton)												
France	1188.2	163.2	6.2	7.2	83.0	110.9	163.7	141.2	1.5	2.5	55.6	79.3
Germany	353.1	35.0	14.9	16.8	65.2	73.2	163.2	147.0	9.8	11.6	40.5	47.2
Italy	405455	60777	0.0	0.0	54.9	71.4	189.2	160.8	-4.4	-4.4	31.7	45.8
Spain	29329	2235	-16.1	-17.2	41.5	46.6	159.3	147.2	-19.8	-20.9	20.4	24.7
UK	116.95	26.77	-5.2	-6.6	39.5	58.1	176.7	136.2	-9.5	-10.9	30.5	47.8
Japan	23763	1132	0.0	0.0	30.3	30.3	219.2	208.8	-2.6	-2.6	46.8	46.8
Canada	-	-	-	-	-	-	-	-	-	-	-	-
USA	-	-	-	-	-	-	-	-	-	-	-	-

1 mid-month prices
2 unleaded premium (95 RON) gasoline for France, Germany, Italy, Spain, UK; regular unleaded gasoline for Canada, Japan and USA
3 VAT excluded where it is refundable: HFO for Industry, Automotive Diesel for Industry
4 kerosene
5 previous month data
6 high sulphur fuel oil price for France, Spain, UK and Japan; low sulphur fuel oil price for Germany and Italy

OIL MARKET REPORT CONTACTS

OECD Stocks (and Editor) David Knapp
(+33) 0*1 40 57 65 90
e-mail: david.knapp@iea.org

Demand Deborah White
(+33) 0*1 40 57 65 92
e-mail: deborah.white@iea.org

Supply Michael Wittner
(+33) 0*1 40 57 65 91
e-mail: mike.wittner@iea.org

Oil Prices and Refinery Activity Klaus Rehaag
(+33) 0*1 40 57 65 93
e-mail: klaus.rehaag@iea.org

Oil Trade and Downstream Developments Miharu Kanai
(+33) 0*1 40 57 65 94
e-mail: miharu.kanai@iea.org

Statistics Isabelle Ynesta
(+33) 0*1 40 57 65 95
e-mail: isabelle.ynesta@iea.org

Editorial Assistant Anne Mayne
(+33) 0*1 40 57 65 90
e-mail: anne.mayne@iea.org

Fax: *(+33) 0*1 40 57 65 99/40 57 65 09*

* 0 only within France

Customer Services (Subscription and Delivery Enquiries)
FT Energy
Maple House
149 Tottenham Court Road
LONDON W1P 9LL, UK
Tel. +44 (0)1444 445520
Fax. +44 (0)1444 445599
e-mail: ft.business.subs@rbi.co.uk

Methodology

The projections of demand and non-OPEC supply in this Report are not forecasts. A forecast would entail predictions of OPEC supply, crude and product prices and their effects upon demand and non-OPEC supply; this is not the objective of this Report. Our projections assume continuation of "normal" demand and supply conditions such as normal weather and prevailing maintenance and utilisation rates. There are no allowances for contingencies in supply projections. As abnormal events occur they are noted and evaluated. Where deemed appropriate, adjustments are made to what is considered "normal" in the future.

Users' Guide to the IEA Oil Market Report

Readers are referred to the Users' Guide, published in conjunction with the Annual Statistical Supplement, dated 10 August 1999, for information on the data sources, definitions, technical terms and general approach used in preparing the Report. It should be noted that the spot crude and product price assessments are based on daily Platt's prices, converted when appropriate to US$ per barrel according to the Platt's specification of products (©2000 Platt's - a division of McGraw-Hill Inc.).

The OMR on the Internet: http://www.iea.org